This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

The Weekly Underwriter

Digitized by Google

HARVARD UNIVERSITY
GRADUATE SCHOOL
OF BUSINESS
ADMINISTRATION
BAKER LIBRARY

Digitized by Google

Digitized by Google

Digitized by Google

The Weekly Underwriter;

AN INSURANCE NEWSPAPER.

VOLUME NINETY.

JANUARY 3, 1914, TO JUNE 27, 1914, INCLUSIVE

NEW YORK

The Underwriter Printing & Publishing Co.

1914

Digitized by Google

L.9
W39
v.90

Digitized by Google

The Weekly Underwriter.

INDEX.

PAGE.

ACCIDENT and Health Insurance, Conference on Frills..... 218
Accident and Health Insurance, Inspection of Renewal Forms of..... 330
Accident and Health Insurance, Limited Coverage Policies 6
Accident and Health Insurance, Policy Forms of 34, 52
Accident Insurance and Mississippi Rates of.. 385
Accident Insurance, Biggest Theatrical Policy of 467
Accident Insurance Companies, Suits Against. 234
Accident Insurance, Elimination of Frills by Maryland Casualty..... 499
Accident Insurance, Objection to Blanket Policies of..... 150
Accident Insurance, Suits on Policies of..... 280
Accident Insurance, Suits to Recover in McAlpin Case..... 339
Accident Policy Without "Frills".....481, 499
Accident Prevention, Promotion of..... 34
Accidents and Injuries, Massachusetts Court Decision on.....138, 195
Accidents, Causes of Analyzed..... 151
Accidents, Increase of..... 234
Accidents, Industrial, Frederick L. Hoffman on 179
Accidents, New York City Street..... 280
Accidents Reported..... 597
Actuarial Society of America...354, 426, 493, 578
Actuarial Society of America, Comment on its Quarter Century Anniversary..... 449
Actuarial Society of America, Proceedings of Twenty-fifth Annual Meeting..... 453
Ætna Indemnity Company.....194, 579, 598
Ætna Life of Hartford...111, 136, 260, 468, 493, 548, 568
Ætna Life of Hartford and Operations in Texas 493
Ætna Life of Hartford, Annual Statement... 72
Ætna of Hartford.....2, 277, 544
Ætna of Hartford, Chicago Agents Conference 231
Agent Life Insurance, Importance of..... 129
Agents, Colorado Licenses for..... 464
Agents, West Virginia Warning to..... 191
Ahawas Israel, United States Grand Lodge of the Independent Order of, Liquidation of. 428
Alabama Fire Underwriters' Association..... 511
Albany Board of Fire Underwriters, Election of Officers 407
Allegheny County Board of Fire Underwriters, Pennsylvania, Reorganization of.....71, 172
Allemannia Fire, Official Changes..... 340
Allen, B. F., Founder Hawkeye Fire, Death of 385
American Accident of Cleveland, Reinsurance of 355
American Association of Accident Underwriters, Midwinter Meeting of.....177, 578
American Association of Medical Examiners, Annual Meeting.....565, 593
American Assurance Company of Philadelphia, 233, 280, 303, 439
American Automobile Insurance Company, Increase of Capital of..... 406
American Benefit Association of White Plains, N. Y..... 566
American Bonding Company..... 178
American Central Life of Indianapolis..... 378
American Central of St. Louis....2, 215, 424, 452
American Credit Indemnity Company, Annual Statement 195
American Fidelity of Vermont.....6, 74
American Fire of Philadelphia..... 3
American Fraternal Association of Honesdale, Pa. 148
American Home Life of Fort Worth, Tex..568, 595
American Indemnity of Galveston, Tex..... 57
American Institute of Actuaries.....465, 501
American Institute of Actuaries, Sixth Annual Meeting 515
American Institute of Steam Boiler Inspectors 175

PAGE.

American Life and Accident of Portland, Ore., Increase of Capital of..... 134
American Life Convention, Make Up of..... 545
American Mortgage Company of Chicago..... 494
American Mutual Compensation Company of New York, Organization of.....75, 218, 289
American Mutual Life of Lake Charles, La., Organization of..... 428
American of Newark, Increase of Capital of.. 352
American of Newark, Official Changes....171, 407
American Society for Fire Prevention, Robert D. Kohn on..... 70
American Surety Company 111, 135, 598
American Surety Company, Annual Statement. 74
American Surety Company, Thirtieth Anniversary 356
American Temperance Life Insurance Association of New York..... 277
Amicable Life of Waco, Tex..... 259
Anderson, Volney S., Death of..... 219
Anglo-American Fire and Montreal-Canada Fire, Control of Sold..... 484
Anglo-American Fire of Chicago, Official Changes 372
Anglo-American Reinsurance Company of Chicago 49, 106
Annexes. See also Underwriters' Annexes.
Annexes, Underwriters, Movement of Superintendent Potts of Illinois to Suppress, Discussed 589
Answers in Application, Court Ruling on..... 325
Anti-rebate Law, Wisconsin Warning under.. 108
Appalachian Life of Bristol, Tenn., Reinsurance of.....259, 316, 463, 595
Appendicitis, London Lloyds Insurance Against 235
Arkansas Association of Local Fire Insurance Agents 482, 512
Arkansas Fire Insurance Business, 1913 Returns of 256
Arkansas, Fire Insurance Rates of...49, 108, 464
Arkansas Fire Protection Association..... 147
Armstrong Agency, New York..... 597
Arson Cases, Victories for Companies in..... 461
Arson in New York City.....231, 257
Arson, Sentence for..... 231
Artificial Flowers and Feathers, Walter O. Lincoln on Hazards of Manufacture of.. 197
Assessment Insurance and Illinois Investigation of..... 408
Associated General Agents of the Prudential Casualty 74
Association of Life Insurance Counsel....279, 352
Association of Life Insurance Presidents..279, 545
Association of Life Insurance Presidents and Co-operation with American Life Convention 408
Association of Life Insurance Presidents, Paper by Dr. Dublin on Health Reports, 509, 527
Association of Michigan Mutual Accident and Benefit Companies..... 355
Association of Western Insurance Superintendents of Canada..... 593
Assureds National Life of Springfield, Ill.... 326
Assureds National Fire of Chicago..108, 215, 257, 543
Assureds National Mutual Fire of Decatur, Ill. 49, 172
Atlanta, Ga., Reinspection of..... 511
Atlas Assurance Association, Organized at Kansas City..... 75
Automatic Sprinklers.....191, 351, 371, 543
Automatic Sprinklers, "Diseases" of Equipments 591
Automobile Insurance in the Kentucky Legislature 105
Automobile Insurance, New Rates of..324, 350, 355, 385, 409, 428
Automobile Liability Insurance, Decision Affecting 136
Automobiles, Device to Prevent Theft of..... 330
Automobiles, Novel Plan of Rating..... 194
Automobile Owners Indemnity Exchange of Philadelphia, Organization of..... 425

PAGE.

Aviation Insurance, Consideration of..... 324

BACK Draughts, C. C. Dominge on..... 205
Badger Casualty of Green Bay, Wis., Official Changes..... 95
Balkan National Insurance Company, Annual Statement 146
Bell, George F., and Sale of Lloyds Policies at Newark, N. J..... 591
Ballard & Garrett, New York Changes in..... 260
Banco de Securos del Astado, Montevideo, Uruguay, Insurance Report of..... 230
Bankers Guaranty and Casualty Company..339, 355
Barebones Alumni Association..3, 95, 171, 191, ... 276, 351
Barebones Alumni Association, Proceedings of Seventh Annual Meeting..... 411
Barry, James V., Metropolitan Life..... 148
Bartlett, James A., of St. Louis, Death of.. 57
Baseball Players, Accident Insurance of..... 354
Bayonne, N. J., Conflagration Hazard of..... 350
Beddall, Edward F., Seventy-fifth Birthday... 410
Berkshire Life and War Risks..... 378
Berkshire Life, Annual Statement..... 92
Berkshire Mutual Fire of Pittsfield, Mass..... 172
Bermuda, Fire Insurance in..... 274
Blue Goose..... 324
Bluff City Fire of Memphis, Reinsurance of.. 277
Board of Fire Underwriters of the Pacific.. 462
Board of Hazardous Trades, Establishment of. 463
Bohl, Henry, Return to the Insurance Business 260
Boiler Inspectors, S. F. Jeter on Qualifications of..... 334
Boilers, Robert H. Pearson on Inspection of.. 331
Bonding of Postal Employees, Surety Company Rates Discussed by..... 69
Boston and Incendiary Fires..... 301
Boston Board of Fire Underwriters..107, 425, 491
Boston, Eastern Union Plan for, Adopted..543, 560
Boston, Fire Commissionership of..... 192
Boston Insurance Company, Booklet of..... 538
Boston, Motor Pumping Engines for..... 514
Boston, Multiple Sub-agencies in.....463, 512
Boston, 1913 Property Fire Loss of.....300, 512
Boston Protective Department, Annual Report. 231
Brewer, Oscar O., Death of..... 385
Brigham, Mrs. A. D., Death of..... 518
British America and Western Assurance of Toronto, Official Changes..... 132
British America of Toronto, Quebec, Department Opened..... 92
British Fire Losses in 1913..... 70
British National Insurance Act.....193, 278
Brokerages, Michigan Ruling on..... 147
Brokers and Licenses in Maryland..... 406
Brokers, Licensed, New York List of..... 301
Brooklyn Safety Exhibit..... 356
Buckeye National Fire of Toledo.....49, 512
Bureau of Fire Prevention of New York City, Headship of..... 90
Burglary Insurance, Kentucky Situation in... 260
Burglary Insurance, Lloyds, London, Loss Under 339
Burglary Insurance, New York Conditions Affecting 136
Burglary Insurance Underwriters' Association, Annual meeting.....409, 498, 517, 548
Building Plans, How to Read, from an Insurance Standpoint, Charles C. Dominge on. 14
Business Conditions, Henry Clews on..... 232

CALIFORNIA and State Fire Insurance... 406
California Association of Local Fire Insurance Agents..... 463
California Insurance Commissionership....546, 593
California Standard Life of San Francisco, 217, 258
California State Life, Official Changes..... 259
Camden Fire, Increase of Capital..... 49
Campbell, William Brough, Death of..... 598
Canada Life Assurance Society, Official Changes 51
Canada, Workmen's Compensation..... 293

Digitized by Google

PAGE.

Cancellations and Brokers' Commissions..... 235
Cancellations, J. L. Cunningham on..... 299
Cancer, F. L. Hoffman on Mortality from.... 582
Capitol Life of Denver..... 326
Car and General of London..... 594
Casualty and Miscellaneous Insurance, Oklahoma Premiums of..... 579
Casualty and Surety Company of Pittsburgh, Official Changes..... 219
Casualty and Surety Social Club of New York, 34, 150, 518
Casualty Company of America..... 111
Casualty Insurance and New York Approval of Premium Rates..... 259
Casualty Insurance, Conference of Claim Men. 410
Casualty Insurance, Court Ruling as to Mode of Settlement by Company..... 303
Casualty Insurance Exchange..... 75
Casualty Insurance, New York Court Decision on Renewals of..... 302
Casualty Insurance, Reserves of..... 34
Casualty Insurance, Southern Organization of. 517
Casualty Organizations, Consolidation of Proposed..... 494
Casualty Underwriters' Association of Chicago. 259
Casualty Underwriters Association, Amalgamation of..... 548
Cedar Men's Exchange, Discontinuance of... 32
Celluloid Factory, Report of Fire in..... 380
Central Canada Manufacturers Mutual Fire, Liquidation of..... 50
Central National Fire, Change of Name of... 49
Central Southern Life of Jackson, Miss..... 326
Central States Life, Election of Officers..... 428
Charleston, S. C., Fire Loss and Rates...131, 564
Chester, Pa., Fire Hazards of..... 424
Chicago Agency Situation.....172, 463
Chicago Agents' Club..... 484
Chicago and Reduction of Fire Insurance Expense in.....323, 351
Chicago Board of Underwriters..49, 451, 511, 594
Chicago Board of Underwriters Annual Meeting 30
Chicago Bonding and Surety, Increase of Capital 494
Chicago Brokerage Situation..... 452
Chicago, Dwelling House Schedules in..... 544
Chicago, Fire Alarms in, in 1913..... 48
Chicago, Fire Insurance Commissions in....2, 593
Chicago, Fire Limits of..... 514
Chicago Fire Losses 592
Chicago Life Underwriters' Association 174
Chicago Local Agents..... 540
Chicago Local Agents' Club..... 276
Chicago Surety "Conflagration"..... 596
Children, High Mortality Among..... 149
Christian Science and Fire Insurance Adjusting 577
Citizens Mutual Fire of Petoskey, Mich., Dissolution of..... 593
Citizens' National Life of Kentucky..... 73
Civil Liability of Employees, California Ruling on Insurability of..... 6
Claflin, H. B. Co., Fire Insurance of..... 593
Classification in Fire Insurance, Commissioner Hardison on..... 581
Classification in Fire Insurance, Commissioner Mansfield on..... 305
Classification of Fire Insurance Risks and Losses 1, 20, 215
Cleveland Life, Annual Statement..... 71
Cleveland Life, Health Extension Plan of.... 515
Cleveland National Fire.....108, 277, 424
Cleveland, O., and Lumber Fire in..... 512
Clover Leaf Casualty..... 218
Colorado and Brokerage Licenses..... 463
Colorado Life Underwriters' Association Annual Meeting 73
Columbia Casualty Company, Reorganization.. 260
Columbian National Life.....93, 149
Commercial Casualty Company..... 95
Commercial Fire of Washington..108, 148, 461, 511
Commercial Life and Casualty of Savannah, Ga., Official Changes..... 568
Commercial Union of London, Annual Meeting 452
Commercial Union of New York, Official Changes 232
Common Carriers and Certificates of Insurance 483
Compensation Inspection Rating Board, Organization of.....498, 518, 577, 596
Compulsory Life Insurance Investment Laws, Official Protest Against..... 29
Compulsory Life Investments, Defeat of Mississippi Bill for..... 278
Compulsory Life Insurance Investments, Opposition to..... 32
Connecticut Fire, of Hartford.....107, 423, 403
Connecticut General Life.....326, 427
Connecticut Life Underwriters' Association... 148
Connecticut Workmen's Compensation Law, 465, 468, 498
Conrad, W. G., Death of..... 236
Consolidated Service Bureau..... 258
Continental Casualty, New Head Office, Location of.....339, 518
Continental Fire of New York.....47, 257
Continental Life of Wilmington, Del., Annual Statement 32
Contract Bonds, Court Ruling Affecting..... 439
Cook County Automobile Underwriters Board. 300

PAGE.

Cooper, E. C., Resignation as Insurance Commissioner of California..... 546
Co-operative Insurance Company of Nashville. 593
Cork-wood, Gilbert E. Stecher on Fire Hazards of 519
Corporation Life Insurance, Large Policies of. 353
Corsa, Andrew J., Death of..... 410
Cost of Extinguishing Fires, Suit to Recover, 323, 529
Cotton Insurance Association..... 216
County Fire of Philadelphia.....277, 351, 593
Cox, George A., of Canada Life, Death of.... 77
Crandall, Harry W., Death of..... 340
Crescent Life of Indianapolis, Ind..... 233
Croan, William M., Death of..... 304
Crowell, Frederick, Death of..... 598
Crum & Forster, Field Forces of..... 593
Crum, George Latham, Death of..... 410
Cunningham, James L., Resignation as President of the Glens Falls..... 370

DALLAS, Tex., Key Rate of..... 593
Dallas, Tex., Reduction of Rate Asked.. 352
Dale, Hervey S., Death of..... 356
"Damaged Goods," National Casualty Agents' Record on..... 439
Dates Ahead.....482, 491, 493
Death Rate, Declining, Significance of..... 32
Death Roll of 1913..... 19
Defalcations, Reports of.....494, 597
Delaware Association of Life Underwriters... 109
Department Stores, Mutual Benefit Societies of 50
Deposits, Suit of Ætna to Recover in Connecticut 324
Des Moines, Ia., and Fire Insurance Rates in. 425
Detroit Conference.....194, 280, 467
Detroit Conference, Mid-winter Meeting..110, 179
Detroit Conference, Service Bureau of...150, 466
Detroit Life of Michigan..... 73
Detroit Life Underwriters' Association..... 134
Detroit Underwriters, Official Changes..... 564
Dewey, Winfield Scott, Death of..... 76
Disability Benefits, Actuary Grow on..... 152
Disability Clause in Life Insurance, W. C. Johnson on..... 219
Discriminations in Fire Insurance Rates, New York Action on..... 299
Dishonest Employees, President W. B. Joyce on 578
District of Columbia, Insurance Superintendency of 31
Dividend Estimates, Utah Ruling on..... 109
Dog Bite, Insurance Against..... 34
Done, Commissioner, Address on Insurance at San Francisco..... 361
Done, Commissioner, Life Insurance Rulings. 443
Done, Commissioner, on the Need of Insurance Education.....169, 177
Done, Commissioner, on the Value of Co-operation 89
Done, Commissioner, Resignation of, as Insurance Commissioner of Utah..369, 372, 427
Draper, Gov. Eben S., Death of..... 304
Dublin, Dr. L. J., on Sickness, Registration and Reporting.....509, 527
Dwelling Insurance, Pacific Coast Rates of.. 491
Dwellings, Rerating of, at Buffalo..... 462
Dwight Survey Bureau..... 3

EAGLE Fire of New York..... 464
Eagle Insurance Company of England, Official Changes..... 35
Earthquake Shock, Manhattan Possibilities of. 135
Eastern Automobile Conference..... 131
Eastern Union of Fire Underwriters..46, 48, 49, 147, 231, 324, 452, 464, 563
East Orange, N. J., Fire Hazards of..... 406
Electricity, Increase in Use of..... 559
Elevators and Licensing of Operators in New York 548
Emmet, Superintendent, on Fire Insurance Rating 169, 176
Emmet, Superintendent, on Reinsurances..... 306
Employees' Indemnity Corporation of Kansas City 136
Employers' Indemnity of Philadelphia..... 468
Employers' Liability and Railroads..... 385
Employers' Liability and Workmen's Compensation Coverage in New York..... 94
Employers' Liability Assurance Corporation of London 259
Employers' Liability Insurance, Belgian Figures of.....1, 467
Employers' Liability Insurance, Federal Law of, Supersedes..... 175
Employers' Liability Insurance, New York Ruling on, Cancellations of..... 596
Employers' Liability of Philadelphia, Receiver for 410
Employers' Liability, Test of New Jersey Law of 547
Employers' Mutual Liability of Wausau, Wis., 52, 498, 511
Epsteen, Commissioner, on Group Insurance, 213, 219
Equitable Building, New York, New 50, 217, 377
Equitable Fire and Marine, Official Changes.. 176
Equitable Life of New York..73, 149, 233, 258, 566
Equitable Life of New York and Union Pacific Dividends.....174, 232, 278

PAGE.

Equitable Life of New York and War Risks.. 377
Equitable Life of New York, Establishment of Health Service..... 232
Equitable Life of New York Group Insurance. 278
Equitable Life of New York, Meeting of Salaried Agency Managers..... 50
Equitable Life of New York, New Agency Commission Plan for..... 545
Equitable Life of New York, 1913 New Business of..... 51
Equitable Life of San Antonio, Tex..... 234
Equitable Life of Washington, D. C., Official Changes 137
Equitable Surety, New York Office of....136, 151
Eutaw Hotel Case, Decision in..... 108

FACTORIES, Smoking in..... 216
Factory Mutual Insurance Company of America 175
Factory Risks, New York Conditions of..130, 591
Farm Insurance, Illinois Rates of..... 108
Farmers' Life of Denver..... 405
Farmers' Mutual Fire Companies and the Income Tax..... 564
Faymonville, Bernard, Elected President of the Fireman's Fund..... 89
Federal Insurance Supervision..... 192
Federal Insurance Supervision and President Kingsley.....189, 233, 256, 258, 443, 470
Fedcral Insurance Supervision, National Convention for Discussion of..... 548
Federal Insurance Supervision, Commissioner McMaster Pleads with President Wilson for 105
Federal Life and Casualty of Nashville..... 35
Federal Life of Georgia..... 279
Federal Sureties, Qualifying Powers of..194, 465
Fidelity and Casualty Company.....517, 548, 600
Fidelity and Deposit Company, Official Changes. 235
Fidelity Bond Reserves, S. Herbert Wolfe on. 219
Fidelity Leaders Club, 1914 Convention of... 594
Fidelity Mutual Life of Philadelphia...217, 426, 546
Fidelity Mutual Life of Philadelphia, Annual Statement 133
Fidelity Mutual Life of Philadelphia, Official Changes 173, 193
Fidelity-Phenix of New York..... 257
Field Men's Association of Mill and Elevator Mutual Fire Insurance Companies..... 461
Film Factory, Report of New York Board of Fire Underwriters on Fire in..... 371
Fire Alarm System of New York, Reform in, 321, 372
Fire and Windstorm Policies, Baltimore Ruling on 257
Fire Brokers' Association of the City of New York.....231, 301, 322, 406, 425, 484, 593
Fire Brokers' Association of the City of Buffalo 277
Fire Commissionership of New York City.... 1
Fire Drills Enforced by the New York Bureau of Fire Prevention..... 253
Fire Floaters, New York Reduction of Rates on 543
Fire Insurance and Arkansas Law Governing Rate Schedules of..... 192
Fire Insurance and Cotton Fires at Bombay.. 351
Fire Insurance and Philadelphia Rates of.... 593
Fire Insurance and Professional Appraisers.. 563
Fire Insurance and Rates at Tarentum, Pa... 593
Fire Insurance and Texas Commissions of.... 423
Fire Insurance Agents, Louisiana Law Governing 131
Fire Insurance Agents, New Hampshire Ruling on..... 510
Fire Insurance, Arrest of Bogus Operator of, in Delaware..... 31
Fire Insurance, Boston Premiums of..... 192
Fire Insurance, Brooklyn Commissions of.... 91
Fire Insurance Business, Profits of, Estimated. 487
Fire Insurance, Chattel Mortgage Clause in Kansas 564
Fire Insurance, Chicago Premiums of.....147, 482
Fire Insurance Club of Chicago..... 484
Fire Insurance Companies and Plate Glass Claims 543
Fire Insurance, English Underwriting Results in 423
Fire Insurance, False Ideas of Profit in..... 299
Fire Insurance, Frank Lock on Methods of.. 264
Fire Insurance, Iowa Statistics for 1913..... 214
Fire Insurance, Its Relations with the State, David Rumsey on 253
Fire Insurance, Louisiana Business of..... 276
Fire Insurance, Meeting of Mutual Inspectors of 424
Fire Insurance Methods, Organized Movement to Standardize..... 421
Fire Insurance, Michigan, 1913 Premiums of.. 257
Fire Insurance, Milwaukee, 1913 Premiums of 257
Fire Insurance, Missouri Results of, in 1913.. 322
Fire Insurance, Missouri Taxation of..... 216
Fire Insurance, Montreal Rates Increased.... 92
Fire Insurance, Mortgagee's Claim to..... 564
Fire Insurance, 1913 Results of, in Texas.... 423
Fire Insurance, New Orleans Premiums of.. 301
Fire Insurance, New York City Premiums of.. 170
Fire Insurance Officers Golf Tournament.... 483
Fire Insurance, Pacific Coast Premiums..... 107
Fire Insurance, Philadelphia Premiums of.... 256

Digitized by Google

PAGE.

Fire Insurance, Policy Fees and Minimum Premiums of, New York Ruling on..... 361
Fire Insurance, Preliminary Parol Contract of. 255
Fire Insurance, Premium Notes of..... 257
Fire Insurance Premium, Tennessee Decision as to Tender of..... 171
Fire Insurance, Proposed Regulation of, in North Dakota..... 107
Fire Insurance Rate Situation in Illinois..456, 511, 514
Fire Insurance, Rate Troubles at Scranton, Pa..... 593
Fire Insurance Rates and Filing of New York State Schedules..... 257
Fire Insurance Rates by the State Decision of the United States Supreme Court..349, 363, 369, 388
Fire Insurance Rates, Kansas Suits Involving. 511
Fire Insurance Rating, Attack on Analytic System of..... 539
Fire Insurance Rating, Superintendent Emmet on.....169, 176
Fire Insurance, Request by New York Insurance Department for Minimum Rates of. 170
Fire Insurance Society of Pittsburgh..... 132
Fire Insurance, U. S. Treasury Income Tax Ruling on..... 49
Fire Insurance, Unprofitable Classes in..... 405
Fire Insurance, Van Tuyl Law and in New York..... 462
Fire Insurance, View of Commissioner Preus on State Control of..... 371
Fire Insurance, World-wide Statistics of..... 370
Fire Loss Claims, Reporting of..... 3
Fire Losses and New England Conditions.... 372
Fire Loss, New York City Decline in..... 441
Fireman's Fund of San Francisco..90, 147, 300, 400, 543
Fire Marshals' Association of North America. 324
Fire Marshalship of New York State, Legislative Effort to Abolish.....69, 399
Fire Prevention, as Affected by Building Construction..... 397
Fire Prevention Bureau of New York, Its Lack of System Discussed..... 89
Fire Prevention by Means of New Industrial Board of New York..... 45
Fire Prevention, Canada Report on..... 560
Fire Prevention, Charles C. Dominge on..... 231
Fire Prevention, Comment on Situation Abroad..... 137
Fire Prevention Commission, Massachusetts Effort for..... 31
Fire Prevention Day, Dates Fixed by States for.....257, 352
Fire Prevention, Handbook on..... 300
Fire Prevention, Manhattan Activity in..107, 131
Fire Prevention, Massachusetts Commissioners of..... 451
Fire Prevention, Robert D. Kohn on Importance of..... 274
Fire-proof Construction, Cost of..... 47
Fire-proof Materials, Chief Inspector Culgin on..... 351
Fire-proof, Use of Word..... 276
Fire Risks and Losses, Classification of (see also Classification)..... 20
Fire Underwriters' Association of New York. 563
Fire Underwriters' Association of the Northwest..... 462
Fire Underwriters' Association of the Pacific, 79, 132
Fire Underwriters' Association of Utica, N. Y. 108
Fire Underwriting in 1913, Review of, by Frank Lock..... 36
Fire Waste, Figures of, in Several States, 323, 350
Fire Waste, West Virginia Warning on..... 299
First Bulgarian Insurance Company, Annual Statement..... 146
First National Fire of Washington, D. C..91, 148, 291, 425, 514, 540, 560, 593
First Reinsurance Company of Hartford, Memoranda by W. T. Emmet on Licensing of, in New York..... 306
Fishback, Commissioner H. O..... 255
Fisher, Prof. Irving, on the Life Extension Institute..... 219
Fitchburg Mutual Fire, Official Changes..305, 340
Fletcher, Judge Charles, Death of..... 76
Florida Association of Life Underwriters.... 149
Florida Association of Local Fire Insurance Agents, Election of Officers..... 376
Florida Fire and Casualty, Official Changes, 192, 324
Foster, Frank W., Death of..... 57
Ford Roofing Plant Loss, Suits Resulting from..... 31
Forest City Fire of Rockford, Ill..... 172
Foresters, Independent Order of..... 5
Forests, Insurance of, in Norway..... 137
Forman, Allan, Death of..... 235
Fort Dearborn Life and Fort Dearborn Casualty..... 326
Fourth of July, Preparations for a Safe and Sane One..... 509
Fouse, Levi G., President Fidelity Mutual Life, Death of.....76, 132
Franklin Fire of Philadelphia, Official Changes.....49, 232
Franklin Fire of Washington, D. C.....91, 463

PAGE.

Franklin Life of Illinois, Official Changes..174, 279
Fraternal Insurance, Discontinuance of Oklahoma Negro Organization of..... 279
Fricke, Dr. W. A., Resignation from Mutual Liability of Wausau, Wis..... 545
Frills in Casualty Policies, Conferences on, 75, 235, 259, 339

GALVESTON, Tex., Report of Reinspection of..... 300
Gardner, Harry Percival, Death of..... 136
Gaty, Theodore E..... 517
General Accident and Georgia License..... 34
General Accident, Official Changes....74, 235, 466
General Accident, Report of Examination of U. S. Branch..... 234
General Liability Insurance, Cancellation of East Side Risks of..... 339
George Washington Life of Charleston, W. Va.....134, 302
Georgia Association of Life Insurers..... 93
Georgia Casualty Company..... 234
Georgia, Deputy Insurance Commissionership of..... 76
Georgia Field Club, Reorganization of..... 484
Georgia Fire Prevention Society..... 91
Georgia Life, Change of Name of..... 234
Georgia Local Underwriters Association..... 560
German-American Fire, Report of Examination. 452
German-American Life of Omaha, Official Changes..... 151
German Commercial, Retirement of..... 304
German National Life of Chicago, Reinsurance of..... 33
German National Life and Northern States Life, Consolidation of Disapproved..... 94
Germania Life of New York..... 408
German of Pittsburgh, Reinsurance of..... 216
Gibraltar Life of Paris, Tex., Official Changes. 568
Gilder Policy Association..... 325
Gladding, John, Death of..... 58
Glens Falls, Annual Statement.....107, 108
Glens Falls, Resignation of President Cunningham.....370, 399
Globe and Rutgers of New York..108, 216, 426, 433
Globe Indemnity Company.....111, 194, 280
Goats, Use of, as Fire Prevention Device.... 49
Granite State Fire, Annual Statement..... 90
Grant, Dr. Frank Sargent, Death of..... 196
Great Eastern Casualty Company...110, 218, 230, 260
Great Northern Fire of St. Paul..... 231
Great Republic Life of Los Angeles..... 193
Great West Life of Manitoba..... 354
Group Life Insurance..73, 134, 149, 253, 278, 302, 516
Group Life Insurance by the Equitable Life.. 278
Group Life Insurance, Commissioner Epsteen on..... 220
Group Life Insurance Legislation Discussed.. 213
Guarantee Company of North America..... 518
Guaranty Life, Reinsurance of Accident and Health Business..... 35
Guardian Fire of Pittsburgh.....484, 514
Gunn, John W., of San Francisco, Death of.. 96

HALLE, E. G., Illness of.....137, 356
Hamburg Assurance Company of Hamburg. 216
Hamburg-Bremen, Western Department of... 190
Hammond, Walter H., Death of..... 499
Hanover Fire, Agency Changes..... 560
Harris, Thomas M., Death of..... 305
Hartford Accident and Indemnity...94, 135, 195, 260, 280, 304, 385, 463, 494, 548, 597
Hartford Board of Fire Underwriters, Fiftieth Annual Meeting..... 192
Hartford Fire.....31, 427, 463
Hartford Fire, Annual Statement..... 107
Harvard Graduate and Life Insurance Endowment Fund..... 134
Hasbrouck, Frank, Appointed Insurance Superintendent of New York.....273, 275
Hawxhurst, Charles W., Death of..... 410
Hegeman, John R., Visit to Europe..... 289
Hektographs 38, 117, 268
Hibernia Underwriters..... 231
Hoboken, N. J., Fire Hazards of..... 230
Hoey, James J., Anniversary Presentation to.. 427
Hoffman, Frederick L., on Industrial Accidents..... 179
Hoffman, Frederick L., on Mortality from Cancer..... 582
Hoffman, Frederick L., on Life Insurance History..... 108
Holden, Dr. Horace C., Death of..... 112
Holidays, 1914..... 4
Holman, Charles D., Death of..... 549
Home Casualty Company of Omaha, Official Changes..... 176
Home of New York.....30, 50, 543, 564, 597
Home of New York, Annual Statement..... 47
Hooper-Holmes Information Bureau..... 303
Hotel Ampersand Case..... 275
Hotel Fires, Statistics of..... 300
Hotels and Restaurants, C. C. Dominge on Hazards of..... 582
Hubbard, Ralph K., New York..... 96
Hyde, James H., Paris..... 151

PAGE.

IDE, GEORGE E., Elected President of the Yale Club of New York..... 260
Illinois Association of Local Fire Insurance Agents..... 132
Illinois Field Club, Annual Meeting..... 591
Illinois Fire Insurance Rate Situation..... 511
Illinois Fire Prevention Association..... 352
Illinois Insurance Officials, Indictments Against Quashed..... 215
Illinois Life, of Chicago.....5, 94, 493, 545
Illinois Life, of Chicago, Total Disability Clause..... 33
Illinois State Board, Annual Meeting...230, 543, 591
Illinois, State Fire Marshalship of.....50, 71, 257
Illinois Surety Company.....34, 135, 518
Illuminating Gas, S. L. Burgher on Manufacture of..... 281
Incendiarism, Michigan, Report on..... 425
Income Tax and Renewal Commissions of Life Insurance Agents..... 349
Income Tax, Insurance Companies and....36, 109
Independent Order of Foresters, New York Decision on Rates of..... 302
Indiana and Back Tax Suits of..... 300
Indiana Association of Life Underwriters.... 149
Indiana Fire Marshal..... 491
Indiana State Fire Prevention Association.... 512
Indianapolis Association of Fire Underwriters. 49
Indianapolis Salvage Corps..... 564
Industrial Insurance, Second Annual Report of Washington Department of..... 355
Industrial League..... 467
Industrial Life Insurance, Amusing Profit Statements Concerning..... 326
Industrial Life Insurance, Hostile Bill in the New Jersey Legislature..... 297
Industrial Life Insurance, Notice of Limit... 51
Industrial Life Insurance, Statistics of..... 413
Industrial Mutual Liability Insurance Association, Organization of..... 439
Industrial Plants, Lighting of..... 157
Ingham, George W., Ex-Insurance Commissioner of the District of Columbia..... 136
Inspections, Casualty, Mr. Barnaby on..... 180
Inspector and the Insured..... 200
Insurance Agents, Michigan Rulings on..... 516
Insurance and Gambling, London Mutual Provident Messenger on..... 340
Insurance and the Lay Press..... 256
Insurance Clerks' Mutual Benefit Association, 232, 326, 546
Insurance Club of Memphis, Tenn..... 71
Insurance Commissioner, Individual Suit for Official Act Cannot Be Brought in South Carolina..... 109
Insurance Company of the State of Pennsylvania 216, 257
Insurance Companies Organized in 1913....8, 9
Insurance Companies Which Ceased to Do Business in 1913.....8, 9
Insurance Education, Commissioner Done on, 169, 177
Insurance Exchange of Memphis, Tenn., Reorganization of..... 377
Insurance Federation of Missouri..... 339
Insurance Federation of Ohio...107, 146, 405, 423
Insurance Federation of Pennsylvania..... 563
Insurance Institute of America.....356, 501
Insurance Institute of America, Annual Meeting 539
Insurance Institute of Hartford, Annual Election 462
Insurance Institute of Toronto, Annual Meeting 595
Insurance Journalism, Changes in..... 191
Insurance Legislation, Minnesota Possibilities of 371
Insurance Legislation, New York Conference on 196
Insurance Records of 1913..... 7
Insurance Society of Cleveland, Annual Meeting 593
Insurance Society of New York..31, 48, 106, 107, 147, 190, 191, 230, 261, 275, 276, 400, 406, 463
Insurance Society of New York, Additions to Library 2
Insurance Society of New York, Annual Meeting 482
Insurance Society of New York, Dinner of Accountancy Branch 371
Insurance Statistics, Kentucky Demand for.. 260
Insurance Supervision, Federal, Letter to President Wilson by Commissioner McMaster on.....105, 129
Insurance Supervision, Federal (see also Federal Supervision)..... 189
Insurance Taxation, Insurance Commissioner Epsteen on..... 93
Interinsurance Association, Missouri Licenses of 298, 324
Interinsurance Companies, Minnesota Licenses Granted 3
Interinsurance, Mississippi Legislation..... 130
Interinsurance, Mississippi Licenses for..... 107
Interinsurers and the Kansas Anti-discrimination Law..... 406
Internal Revenue Taxes, Suits to Recover.... 134
International Association of Casualty and Surety Underwriters. 280, 467, 547, 578
International Association of Fire Engineers.. 232

Digitized by Google

PAGE.

International Casualty of Spokane, Wash.... 75
International Claim Association..... 548
International Congress on Diseases of Occupation 354
International Council of Nurses..... 258
International Industrial Insurance Company of Indianapolis, Organization of..... 95
International Liberty Union of the World... 134
International Life of St. Louis..... 4
Inter-Ocean Casualty of Springfield, Ill., Official Changes.....355, 385
Interstate Casualty and Guaranty of Albuquerque, N. M., Organization of..... 578
Investments of Company Funds in Own Stock, Proposed Legislation Concerning..... 196
Iowa Association of Insurance Agents, Annual Meeting 559
Iowa Life Underwriters' Association..... 51
Iowa Insurance Commissionership...362, 512, 592
Iowa State Live Stock Insurance Company... 215
Ireland, Oscar B., Death of..... 289
Ising, Oscar, Presentation to..... 549

JACKSON, Miss., Reinspection and New Waterworks System of.....406, 425
Jersey Fire Underwriters 31, 71
John Hancock Mutual Life, Report of Examination of..... 565
Johnson, W. C., on the Permanent Disability Cause in Life Insurance..... 219
Johnstown, Pa., Conflagration Hazards of.... 276

KALAMAZOO, Mich., Life Underwriters' Association 279
Kansas, Causes of Fires in..... 543
Kansas Fire Insurance Situation..... 49
Kansas Fire Insurance Rating by the State, 71, 147, 191, 257, 231, 371, 434, 511
Kansas Fire Insurance Rating Case, Decision of the United States Supreme Court..349, 363, 309, 388
Kansas Life Insurance Company..... 545
Kansas State Fire Marshal, Annual Report of, 31, 91
Kellerman, Charles P., Death of..... 304
Kennedy, Elijah R., Birthday Anniversary of. 405
Kennedy, Elijah R., on Deviations from Rate Agreements 254
Kentucky Actuarial Bureau..... 564
Kentucky Association of Local Fire Insurance Agents, Annual Meeting..... 483
Kentucky Fire Insurance State Rating Law, Withdrawal of Companies from the State, 31, 90, 92, 106, 146, 170, 189, 214, 230, 253, 255, 273, 274, 298, 324, 356, 370, 400, 422, 425, 451, 483, 511, 512
Kentucky Fire Insurance State Rating Situation, Settlement of....537, 538, 557, 560, 561
Kentucky Insurance Department, Financial Report of..... 426
Kentucky, 1913 Fire Loss..... 70
Kentucky State Fire Prevention Association.. 91
King, Norman S., Death of..... 261
Kingsley, Darwin P., Letter to Companies Favoring Federal Supervision.....189, 233
Kingsley, Darwin P., on Co-operation of All Insurance Companies for Federal Supervision.....189, 256, 258, 443
Kingsley, Darwin P., on Insurance Problems, 449, 470
Kingsley, Darwin P., Twenty-fifth Anniversary of Connection with Life Insurance..... 145
Kinne, Col. C. Mason, Death of..... 6
Knott, Frederick J., Death of..... 96
Knoxville Life Underwriters' Association.... 110
Krakauer, A., Death of..... 96
Kremer, President W. N., on Fire Insurance Legislation 481

LA FAYETTE Fire of New Orleans, Rumor Denied 257
Lake Marine Insurance, Rates of..... 277
Lamar Life of Jackson, Miss., Annual Statement 217
Landers, John, Dinner to..... 278
Law, William Francis, Death of..... 219
Legislation Instigated by Insurance Agents... 558
Legislative Investigations of Fire Insurance Discussed 145
Lehrenkrauss' Sons, J., and Insurance Education 256
Lewis, Dr. John Benjamin, Death of..... 385
Liability Commissions, W. T. Emmet on..... 58
Liability Insurance and Limitations of, in Illinois 304
Liability Insurance, Colorado Ruling on Expense of.....51, 95
Liability Insurance, Comparison of, by Massachusetts Bonding and Insurance Company 291
Liability Insurance, Court Decision in Settlement of Suits..... 494
Liberal Life of Anderson, Ind., Anuual Meeting 354
Life and Accident Insurance, Joint Group Policy of..... 439
Life Extension Institute..1, 21, 174, 219, 326, 353, 377, 502
Life Extension Institute, Reply of President Rittenhouse to Criticism..... 502

PAGE.

Life Extension, Professor Irving Fisher on.. 222
Life Extension Under Mr. Rittenhouse..... 229
Life Insurance, Actuary Grow on Disability Benefits 152
Life Insurance, Alabama, 1913 Business of.. 378
Life Insurance, Alleged Fraudulent Claim of. 217
Life Insurance and Compulsory State Investments (see also Compulsory Life Investments) 29
Life Insurance and Court Ruling on Value of Answers in the Application..... 325
Life Insurance and Proposed Wisconsin Ruling on..... 407
Life Insurance and Reforms of, in Chicago.. 258
Life Insurance and Trinity College, Alumni Plan of..... 595
Life Insurance, Annual Review of, by *The Insurance Press*..... 514
Life Insurance Commissions and Income Tax. 174
Life Insurance, Canadian Totals of..... 258
Life Insurance, Colorado Ruling on Endowments for Children..... 301
Life Insurance, Commissioner Welch on Importance of Agent of..... 132
Life Insurance, Demand for Annuities..... 173
Life Insurance Education for the Masses, Movement for..... 350
Life Insurance Education, Need of Emphasized 205
Life Insurance, E. J. Clark on Advertising Needs of..... 133
Life Insurance, Evolutionary Developments in, Address by George W. Johnston..... 92
Life Insurance, Harry B. Rosen on Ideals of.. 92
Life Insurance, Hartford Frauds in..... 464
"Life Insurance History, Methods and Results," Address by Frederick L. Hoffman. 108
Life Insurance in the United States, Enormous Volume of, Discussed..... 229
Life Insurance, Kentucky Tax Decision on.. 595
Life Insurance, Lectures on, by Charles W. Scovel 133
Life Insurance, Louisiana, Premiums of..... 279
Life Insurance, Maryland Decision on Assignment of..... 193
Life Insurance, Mississippi Lapses of..... 217
Life Insurance, 1913 Oklahoma Figures of... 566
Life Insurance, Pictorial Example of..... 408
Life Insurance, Policy Loans.....69, 78
Life Insurance Policies, Court Ruling on Paid-up Values of..... 546
Life Insurance Policies, Fraud Voids..... 595
Life Insurance Policies, Non-forfeiture Provisions 173
Life Insurance, President Baxter on Salesmanship of..... 324
Life Insurance Rates in War Times Discussed. 398
Life Insurance Rebates, Minnesota Warning on 173
Life Insurance, Renewal Commissions of, and the Income Tax..... 132
Life Insurance, Superintendent Potts on Educational Relations of..... 308
Life Insurance, Taxation of, in Quebec..... 4
Life Insurance Taxation, Pennsylvania Litigation over 464
Life Insurance Taxation, Reau E. Folk on... 301
Life Insurance Textbook in Preparation..... 149
Life Insurance, Utah Official Rulings on..133, 443
Life Insurance, W. C. Johnson on the Disability Clause..... 219
Life Underwriters' Association of Birmingham, Ala..... 233
Life Underwriters' Association of Canada, 326, 464, 546
Life Underwriters' Association of Central Massachusetts 134
Life Underwriters' Association of Central Pennsylvania, Annual Meeting..... 354
Life Underwriters' Association of Columbus, Ohio, Annual Meeting..... 73
Life Underwriters' Association of Minneapolis 148
Life Underwriters' Association of Nebraska.. 51
Life Underwriters' Association of New York, 73, 133, 148, 232, 264, 325, 464, 515, 566, 595
Life Underwriters' Association of New York, Twenty-eighth Annual Meeting..... 173
Life Underwriters' Association of Rochester.. 109
Life Underwriters' Association of St. Louis.. 93
Life Underwriters' Association of Springfield, Ill. 258
Life Underwriters' Association of Webster County, Ky..... 193
Life Underwriters' Association of Western Pennsylvania, Election of Officers..... 408
Life Underwriters' Associations; History of.. 326
"Lighting of Industrial Plants," *The Travelers Standard* on..... 53
Lightning, Illinois Losses by..... 192
Lightning Rods, W. H. Day on Value of.... 512
Lightning, Wisconsin Study of Losses by.... 423
Lincoln Fire of Chambersburg, Pa., Liquidation of..... 71
Litigation, Insurance, Disapproved in Ohio... 6
Little, Meredith B., Glens Falls, N. Y., Death of 137
Little, R. A., Election of, as President of Glens Falls..... 399
Liverpool and London and Globe..... 544

PAGE.

Lloyds, London, and Automobile Racing Insurance 491
Lloyds, London, and Competition by..... 400
Lloyds, London, Bankruptcy of Underwriter at 372
Lloyds, London, Guarantee Forms at..... 160
Lloyds Plate Glass.....94, 110
Loans on Life Insurance Policies Discussed, 69, 78
Local Agents Club of Chicago, Formation of. 256
Lock, Frank, on Fire Insurance Methods.... 264
Lock, Frank, Review of Fire Insurance Business in 1913.....29, 36
Logue, Charles McClellan, Death of..... 289
London and Lancashire, Annual Meeting.... 451
London and Lancashire Fire..... 195
London and Lancashire Indemnity Company of America, Organization of.....579, 597
London and Lancashire Guarantee and Accident 35, 150, 218
London and Lancashire Life and General.372, 492
London Assurance Corporation.....171, 194
London Guarantee and Accident Company..5, 135, 136
Lone Star Life of Dallas, Tex., Reinsurance of 302
Long Life, Rules for..... 192
Louisiana Abstract and Title Company..... 218
Louisiana Fire Marshal Bill..... 601
Louisiana, License Ruling in..... 151
Louisville and Adjustment of Commissions... 593
Louisville Association of Life Underwriters.. 73
Louisville Board of Fire Underwriters..... 172
Lumber Mutual Casualty of New York..... 259
Lytle, J. Warren, Death of..... 196

MACK, WILFRED W., Editorial Connection with THE WEEKLY UNDERWRITER Announced 297
Mails, Prohibition of, to Insurance Companies in Non-Admitted States Proposed in Congress 558
Maine Fire and Marine, Collapse of..... 405
Maine Life Underwriters' Association..... 233
Manhattan Life of New York, Annual Statement 51
Manhattan Life of New York, Official Changes, 133, 217
Manhattan Life of New York.....134, 279, 492
Manhattan Rubber Manufacturing Company of Passaic, N. J..... 29
Manufacturers and Motor Dealers..... 597
Manufacturers and the Fire Insurance Business 449, 469
Manufacturers Liability Company of New Jersey 235
Marine Insurance, 1913 Record of..... 161
Maritime of Liverpool, Sale of..... 462
Marquette Life of Springfield, Ill., Official Changes 279
Marquette National Agency..... 351
Marquette National Fire of Chicago.....560, 592
Married Women, Life Insurance of, and Connecticut Mutual Life..... 279
Marsh & McLennan, Chicago.....543, 563
Maryland Casualty of Baltimore..6, 111, 175, 339, 498, 548, 579
Maryland Casualty of Baltimore and Elimination of Frills..... 499
Maryland Casualty of Baltimore, Report of Examination of..... 5
Maryland Deputy Insurance Commissionership. 76
Maryland Fraternal Congress, Annual Meeting 193
Massachusetts Accident Company, New Policies of..... 5
Massachusetts Bonding and Insurance Company.....110, 280, 304
Massachusetts Bonding and Insurance Company, Merger of United States Health and Accident with..... 442
Massachusetts Employees Insurance Association, Report of Examination of..... 546
Massachusetts Fire and Marine.....106, 171
Massachusetts Industrial Accident Board, Annual Report of..... 138
Massachusetts Mutual Life, Annual Statement. 72
Massachusetts Mutual Life, Official Changes.. 353
McDonald, John J., Death of..... 151
McElhone, Frederick H., Death of..... 236
McGregor, Alexander N., Death of..... 452
McMaster, Commissioner, Against the Mutual Life of New York..... 77
McMaster, Commissioner, Letter to President Wilson on Federal Supervision of Life Insurance 105, 129
Mechanics of Philadelphia, Annual Statement. 70
Medical Section, American Life Convention.. 138
Medico-Actuarial Investigation.....245, 595
Meikle, W. B., Canadian Underwriter..... 484
Memphis, Tenn., Conflagration Hazards of.... 215
Mercantile Risks, Discussion of Fire Hazards of 371
Merchants National Fire of Chicago..... 172
Merchants' Reserve Life of Chicago.....234, 408
Methodist Mutual Fire of Statesville, N. Y.... 231
Metropolitan Casualty Compny, Fortieth Anniversary 355
Metropolitan Fire of Louisville.....231, 301, 407
Metropolitan Life.....72, 73, 279, 516
Metropolitan Life and War Risks..... 377
Metropolitan Life, Annual Meeting..... 326

Digitized by Google

PAGE.

Metropolitan Life, Dedication of Mt. McGregor Sanatorium....564, 589, 598
Metropolitan Life, 1913 Results by, Discussed, 89, 96
Metropolitan Life, Report of Examination of. 33
Metropolitan Life, Report of New York Insurance Department on Triennial Examination of....369, 386
Metropolitan Surety Company.... 175
Mexico and Fire Insurance Policy Forms in.. 371
Mexico and Insurance in.... 326
Mexico and Marine Insurance.... 351
Mexico, a War with, How Insurance Would Be Affected.... 321
Mexican Civil War, American Life Insurance Losses of.... 378
Michigan Commercial, Fire Damage to Home Office.... 216
Michigan Fire Marshal, Annual Report.... 462
Michigan Fire Prevention Association, Election of Officers.... 425
Michigan Industrial Accident Board, Report Concerning Accidents by.... 597
Michigan Industrial Accident Board, Acts of, Not Subject to Court Review.... 35
Michigan State Life, Reinsurance of.... 427
Michigan Underwriters' Association....560, 593
Midland Casualty of Chicago, Official Changes. 95
Mid-West Casualty of Peoria, Ill., Organization of.... 579
Mill and Elevator Mutual Fire Insurance Field Men's Association, Annual Meeting. 483
Millers' National Fire, Reinsurance of.... 108
Milwaukee Board of Fire Underwriters.... 484
Milwaukee Mechanics, Annual Statement.... 91
Minnesota and North Dakota Fire Underwriters' Association, Annual Meeting.... 540
Minnesota Employers'' Mutual Liability, Organization of.... 578
Minnesota Insurance Commissionership.... 190
Mississippi Fire Insurance Legislation Discussed.... 189
Mississippi, Fire Loss Ratio in..107, 132, 191, 544
Mississippi, Liability, Fidelity and Surety Losses in.... 136
Mississippi, 1913 Life Insurance Business in.. 232
Mississippi Local Underwriters' Association.. 511
Missouri Athletic Club Fire....233, 406
Missouri Association of Local Fire Insurance Agents.... 49, 91
Missouri Fidelity and Casualty Company..6, 75, 356
Missouri Fire Insurance Investigating Commission..48, 107, 130, 172, 351, 376, 424, 483
Missouri Insurance Laws, Revision of.... 91
Missouri, 1913 Fire Loss Ratio.... 232
Missouri National Fire, Organization of, Abandoned.... 3
Missouri State Association of Casualty and Surety Agents.... 57
Missouri State Life....465, 566
Missouri Workmen's Compensation Commission.... 467
Modern Woodmen of America...33, 428, 546, 594
Montana Life of Helena....149, 233, 378
Montana Life Underwriters' Association.... 233
Montana Realty Company, Receiver for.... 215
Montgomery, Ala., Fire Hazards of.... 399
Monthly Income Insurance, C. W. Scovel on.. 375
Moore, William A., Vice President of the Phœnix Mutual Life, Death of.... 111
Mosenthal, Herman, Death of.... 7
Mormon Churches and Fire Insurance.... 216
Morris, Edward B., Appointed Actuary of the Travelers.... 356
Mothers' Pensions in Illinois.... 94
Motor Cars, English Plan for Rating of.... 194
Motor Insurance, Development of.... 279
Motor Insurance, Investigation of Brokerage of (see also Automobile Insurance).... 462
Moving Pictures, Hazards of.... 3, 381
Munich Reinsurance Company....46, 540
Mutual Benefit Life....51, 93, 174
Mutual Benefit Life Club of Newark.... 545
Mutual Insurance, Connecticut Situation as to. 6
Mutual Liability Insurance, Reply to Criticisms of.... 289
Mutual Life Field Club.... 516
Mutual Life of New York..33, 93, 134, 279, 437, 492, 565, 566
Mutual Life Southern Field Club.... 516
Mutual Life of New York and Litigation with South Carolina....77, 174
Mutual Life of New York, Comment on its Annual Statement....93, 129
Mutual Life of New York, Sale of Boston Real Estate of.... 279
Mutual Life of New York, Warning Against Sale of Deferred Dividend Policies.... 594
Mutual Workmen's Compensation Insurance, New York Companies of.... 547
Mutual Workmen's Compensation Insurance, *The Journal of Commerce* on.... 340
Mutual Workmen's Compensation Insurance, Weed & Kennedy on....306, 412

NAPIER, JOHN, Death of.... 385
Nashville Association of Life Underwriters.... 354
National Association of Casualty and Surety Agents....136, 467

PAGE.

National Association of Credit Men and Kentucky Fire Insurance Situation.... 299
National Association of Industrial Accident Boards and Commissions.... 355
National Association of Insurance Agents..191, 214, 463, 510, 593
National Association of Insurance Agents, Committees.... 3
National Association of Life Underwriters, 233, 258, 326, 464, 546, 595
National Association of Life Underwriters, Contest for 1916 Convention of.... 279
National Association of Life Underwriters, Proceedings of Midyear Meeting of Executive Committee.... 352
National Association of Manufacturers, Proceedings of Annual Meeting....449, 469
National Automatic Sprinkler Association, Organization of.... 422
National Banks, New..218, 235, 260, 280, 303, 330, 355, 385, 439, 467, 494, 518, 547, 578, 596
National Board of Fire Underwriters..48, 90, 192, 215, 468, 510, 558
National Board of Fire Underwriters and Classifications.... 20
National Board of Fire Underwriters, Proceedings of Forty-eighth Annual Meeting..481, 485
National Civic Federation, Social Insurance Department.... 194
National Convention of Insurance Commissioners, June Meeting of Committees of.... 549
National Convention of Insurance Commissioners, Meeting of Committee on Blanks.... 472
National Convention of Insurance Commissioners, Proceedings of Chicago Meeting of.. 327
National Fidelity and Casualty of Omaha..95, 195
National Fire of Hartford.... 148
National Fire Protection Association..31, 170, 257, 362, 512
National Fire Protection Association, Boston Chapter Organized.... 3
National Fire Protection Association, Chicago Chapter of.... 31
National Fire Protection Association, New York Chapter of.... 147
National Fire Protection Association, Proceedings of Eighteenth Annual Meeting.... 401
National Life Association of Des Moines..173, 217, 258
National Life of the U. S. A.....51, 95, 302
National Life of Vermont and War Risks... 354
National Life of Vermont, Annual Statement. 72
National Life of Vermont, Extension of Policy Privileges of.... 353
National Lumber Insurance Company....31, 108
National Mutual Union....150, 175
National Surety Company....111, 260, 304, 440
National Surety Company, Annual Statement. 150
National Surety Company, Broadening of Casualty Business of.... 378
National Surety Company, Business Instruction to its Agency and Clerical Forces... 129
National Surety Company, Report of Examination of.... 493
National Union Fire Exchange of Liquor Dealers, Organization of.... 49
Nebraska and Licenses for Agents.... 215
Nebraska Association of Local Fire and Casualty Insurance Agents....512, 560
Nebraska, Insurance Code of, Upheld.... 512
Nevada State Life.... 193
New Amsterdam Casualty....235, 259
New Amsterdam Casualty, Annual Statement. 110
New Amsterdam Casualty, Increase of Capital. 578
New Amsterdam Casualty, New Surety Department of.... 135
Newark Fire Insurance Company....544, 594
New England Bureau of United Inspection.. 131
New England Casualty Company....111, 498, 597
New England Congress of Life Underwriters' Associations....149, 258
New England Congress of Life Underwriters' Associations, Proceedings of First Annual Meeting.... 373
New England Insurance Exchange, Annual Meeting.... 48
New England Mutual Life, Annual Statement, 92, 110
New England, Town and Village Loss Ratios in.... 462
New Hampshire Fire, New Office Building of. 512
New Haven, Conn., Conflagration Hazard of.. 276
New Jersey Association of Life Underwriters. 566
New Jersey Fidelity and Plate Glass.... 75
New Jersey Field Club.... 491
New Jersey Fire.... 544
New Jersey, Insurance Supervision in.... 4
New Jersey State Association of Fire Underwriters.... 172
Newman & MacBain, Bankruptcy of.... 324
New Orleans Dock Board.... 484
New Orleans, Rate Reductions Asked for.... 300
New South Life of Shreveport, La.... 546
New World Life of Spokane.....93, 149, 174, 326
New York Association of Local Fire Agents.. 277
New York Board of Fire Underwriters..70, 172, 231, 539
New York Board of Fire Underwriters, Official Changes.... 451
New York Bureau of Fire Prevention and Women Inspectors of.... 406

PAGE.

New York Chapter of the National Fire Protection Association....171, 256, 300, 372, 484
New York City, Death Rate.....51, 110, 302, 354
New York City, Fire Alarms in.... 49
New York City Fire Commissionership..... 129
New York City Fire Department, Recommendations for.... 593
New York City Fire Loss in 1914, Remarkable Compilation.... 441
New York City Water Supply, T. C. Culyer on.... 236
New York Claim Association, Organization of. 578
New York Fire Insurance Exchange..49, 71, 171, 463, 559
New York Fire Insurance Exchange, 1913 Report of.... 230
New York, Inspections by Uniformed Firemen.... 300
New York Life..4, 5, 32, 133, 134, 148, 216, 234, 278, 354, 427, 492, 594, 595
New York Life, Editorial Review of Annual Statement of.... 45
New York Life, Extra Dividend to Policyholders Declared.... 134
New York Local Fire Insurance Situation Discussed.... 509
New York Safety Reserve Fund, Report of Examination of.... 565
New York Standard Policy, Revision of..... 215
New York State and Official Surety Bond Premiums.... 235
New York State Association of Local Fire Insurance Agents....450, 529
New York State Association of Local Fire Insurance Agents, Proceedings of Annual Meeting.... 495
New York State Casualty and Surety Underwriters' Association.... 175
New York State Fire Marshalship, Efforts in Legislature to Abolish.... 213
New York State Insurance Department...491, 492
New York State Insurance Department and Liquidation Bureau of.... 322
New York State Insurance Department Appointments....406, 545
New York State Insurance Department, Workmen's Compensation Bureau.... 111
New York State Insurance Legislation in 1914, Reviewed.... 273
New York State Insurance Report for 1914, Editorial Comments on.... 169
New York State Life Insurance Report of 1914, Discussed.... 273
New York State Insurance Superintendentships....256, 273, 275
New York State Liability Underwriters' Association.... 95
New York State Workmen's Compensation Commission..280, 339, 385, 409, 440, 467, 517
New York State Workmen's Compensation Commission, Rulings of.... 597
New York State Workmen's Compensation Law, Constitutionality of.... 494
New York Underwriters' Agency..107, 171, 370, 400, 460
New York Underwriters' Agency, Fiftieth Anniversary.... 4, 30
New York, Up-State Fire Losses.... 406
North American Accident Association of Saginaw, Mich., Reinsurance of.... 597
North American Accident of Canada.... 75
North American Accident of Chicago, 1913 Business of.... 6
North American Life.... 428
North Branch Fire of Sunbury, Pa.... 148
North British and Mercantile.... 193
North Carolina Association of Insurance Agents.... 512
North Carolina Association of Life Underwriters.... 149
North Carolina Fire Insurance Investigation. 31
North Dakota, State Bonding Department of..6, 304
Northern Equitable of Edinburgh, Scotland... 71
Northern of London, Annual Statement..... 72
North State Life of Kinston, N. C.... 234
Northwestern Mutual Life.... 516
Northwestern National Life....132, 233
Northwestern National Life, First issue of *The News*.... 278
Norwegian Underwriters, New York Charter for....71, 232
Norwich Union.... 218

OCEAN Accident and Guarantee...52, 111, 260, 304
Ocean Liners, Caution in Insuring.... 462
Odell, Robert S., Death of.... 579
Official Changes in Insurance Companies in 1913....7, 10
Ohio, Avoidance of Inimical Legislation in.. 131
Ohio Commonwealth Fire, Organizaton of.... 372
Ohio Farmers, Agency Convention of.... 439
Ohio, Fire Loss of.... 49
Ohio Fire Prevention Association, Election of Officers.... 424
Ohio Insurance Federation....405, 423
Ohio Insurance Superintendentship.....147, 351
Ohio National Life of Cincinnati.....51, 464, 518
Ohio State Fire Marshal, Report of..... 108
Ohio State Life, Secretaryship of..... 33
Ohio State Insurance Fund.... 235
Ohio Valley Fire and Marine.....301, 324

Digitized by Google

PAGE.

Oil Engines, Fire Risks of..... 510
Oil Fires, Extinguishers for..... 521
Oklahoma, Deputy Insurance Commissionership 108
Oklahoma Insurance Commissionership..... 514
Old Age Pensions, F. L. Hoffman on..... 302
Old Colony Life of Illinois..... 301
Old Dominion Life of Norfolk, Va.....359, 566
Old Line Life of Milwaukee.....93, 195
Oliver, John J., Death of..... 440
Omaha Surety Underwriters' Association.... 518
Once-A-Year Club.....195, 233
Ontario Fire of Canada, Withdrawal of..... 31
Orange, N. J., Conflagration Hazards of..463, 593
Order of the Golden Seal, Report of Examination 216
Oregon State Industrial Accident Commission 135
Orient of Hartford, Increase of Capital..... 3
Original Ideal Life of Jonesboro, Ark..... 193
Orr, Alexander E., Death of..... 518
Outside Agents and Brokers, North Dakota Ruling on..... 299
Over-insurance, New York City Figures on.. 131
Over-insurance of Property Discussed..... 89

PACIFIC Fire of New York, Election of Officers of..... 49
Pacific Mutual Life, Annual Statement..... 93
Pacific Surety, Reinsurance of..... 548
Painter Case..... 515
"Paint-Up, Clean-Up." Ohio Campaign of.... 323
Panama-Pacific Exposition and Insurance Congress...106, 277, 301, 324, 372, 427, 461, 512, 514
Parcels Post Insurance..... 132
Part Time Agents, New Hampshire Ruling Affecting 149
Pavlowa, Anne, Insurance of Feet of..... 235
Penn Mutual Agency Association..... 516
Pennsylvania Association of Local Fire Insurance Agents Annual Meeting....511, 539, 559
Pennsylvania Federation of Insurance Agents. 452
Pennsylvania Fire of Philadelphia..... 491
Pennsylvania Legislative Fire Insurance Investigating Commission..3, 48, 91, 130, 172, 232, 257, 491, 592
Pennsylvania Railroad, 1913 Fire Loss of.... 91
People's National Fire of Philadelphia...91, 146, 192, 464
People's National Fire of Toledo, Change of Name 32
Perth Amboy, N. J., Fire Hazards of..... 190
Philadelphia Association of Life Underwriters. 134
Philadelphia Board of Fire Underwriters..... 192
Philadelphia Contributionship 4, 323
Philadelphia Life, Annual Statement.....109, 174
Philadelphia Life, Reinsurance of Personal Accident and Health Business of..... 597
Phœnix Mutual Life, Annual Statement..... 93
Phœnix of London.....540, 564
Phœnix Securities Companies, Organization of. 4
Physicians' Defense Insurance, Iowa Ruling Forbidding 174
Pickles and Life Insurance, International Lifeman on..... 325
Pine Bluff, Ark., Fire Hazards of..... 147
Pioneer Life of Kansas City.....133, 546
Pittsburgh Life Underwriters' Association... 595
Pittsburgh Life and Trust..... 493
Pittsburgh Life Underwriters' Association.... 216
Pittsburgh Local Chapter of the National Fire Protection Association..... 172
Pittsfield, Mass., Conditions at..... 377
Plainfield, N. J., Fire Hazards of..... 510
Plate Glass Insurance.....280, 356, 385, 597
Plate Glass Insurance, 1913 Review of..... 33
Plate Glass Insurance Exchange.....57, 235, 260
Plate Glass Insurance, New York Situation of 516
Plate Glass Service and Information Bureau.. 439
Plate Glass Underwriters' Association..75, 195, 440, 467, 596
Policies, Life, Practice of Loaning on, Discussed 69, 78
Policy Fees, West Virginia Ruling on..... 439
Policy Loans, Increase of Rate of Interest on by Mutual Life..... 50
Portland, Me., Fires at..... 594
Potts, Superintendent, on Insurance by the State 308
Potts, Superintendent, Ruling Against Underwriters' Agencies..... 558
Preferred Accident Insurance Company...151, 330
Prevention, Fire; see Fire Prevention.
Price, Charles H., Death of..... 499
Profit, Fire Insurance, President Kremer's Estimate 487
Profit-sharing Plans, Remarks on..... 156
Protective Life Assurance Society of New York 51
Provident Life and Trust.....492, 595
Prudential Casualty..... 195
Prudential of Newark...5, 353, 426, 493, 546, 595
Prudential of Newark, Mutualization of...71, 94, 233, 302, 325, 408, 426, 515, 545, 546, 566, 594
Prudential Life of Canada..... 378
Public Adjusters, Control of, in New York.. 108
Puritan Life and Annuity of Columbus, Ohio. 233

PAGE.

QUEEN, Southern Field Changes..... 540

RAILROAD Employee, Injury of..... 135
Railroad Insurance Fund, Abandonment of. 483
Railway Mail Association of Portsmouth, N. H. 175
Rate Agreements, Fire Insurance Deviations from, Discussed 254
Rates, Fire Insurance, What are Adequate.. 327
Rates, Right of State to Control, Decision of U. S. Supreme Court, Kansas Case..349, 363, 369, 388
Rawson, Mrs. Charles E., Death of..... 356
Reading, Pa., Conflagration Hazard of....131, 593
Rebating, Alabama Laws Governing..... 191
Reciprocal Fire Insurance Associations, Revocation of Missouri Licenses of..... 277
Reciprocal Insurance, Constitutionality of Missouri Law.....91, 424
Reciprocal Insurance, Massachusetts Report on. 161
Reciprocal Laws, Agreement Between Pennsylvania and Indiana on Claim Under.... 275
Refrigeration, William J. Tallamy on.....11, 113
Reinsurance, Comment on..... 190
Reinsurance Companies, Proposed Legislation Concerning Admission of..... 196
Reinsurances, Commissioner Emmet on..... 306
Reinsurance, Restricting Massachusetts Opinion of..... 90
Reliance Life of Pittsburgh.....465, 492, 493, 594
Republic Casualty of Cleveland..... 498
Reserves, Fidelity Bond, S. H. Wolfe on..213, 219
Retail Merchants' Insurance Association of Newport, Ky..... 512
Rhode Island Fire of Providence..... 426
Rhode Island Life Underwriters' Association. 378
Richards, E. G., on Uniformity in Fire Insurance Practice..... 45
Rimouski Fire of Quebec, License of, Withdrawn 231, 484
Rio Grande Fire of San Antonio, Tex.....71, 425
Rittenhouse, E. E..... 33
Rittenhouse, E. E., Reply to Criticisms of Life Extension Institute..... 502
Rochester Loyalty to Deceased Agent..... 483
Rochester, N. Y., Fire Hzards of..... 71
Rossia, Fire Annual Statement.....130, 559
Rossia, Fire, New Building of, at Hartford, 48, 463, 592
Royal Benefit Society of Illinois..... 258
Royal Casualty of Chicago.....494, 579
Royal Indemnity.....151, 280, 339, 518
Royal Life of Chicago....217, 326, 354, 408, 427, 545
Royal of Liverpool.....425, 491
Rubber Hose Manufacturing Company Suit Against the National Board..... 29
Rumsey, David, on the Relations of Insurance and the State, Comments on..... 253

SAFETY First Society.....330, 410
Safe Place of Employment, Wisconsin Ruling on..... 339
Salamandra of St. Petersburg, Increase of Capital 49
Salem, Mass., Conflagration.....589, 590
Salesmanship, Psychology of..... 373
San Francisco, Life Underwriters, Association of, Annual Meeting..... 73
San Jacinto Life of Beaumont, Tex..... 233
Savannah Life Underwriters' Association.... 73
Savings Bank Life Insurance, Massachusetts Report on.....133, 323
Scandia Life of Chicago..... 94
Schroeder, Fritz, Manager Aachen and Munich, Death of 305
Scotland, Thomas H., Elected Assistant Secretary Hartford Fire..... 305
Scott, Edgar S., Death of..... 261
Scottish Provident Association, Annual Report. 408
Scottish Union and National..... 406
Securities, Shrinkage in Market Value of, Discussed 105
Security Mutual Life of Binghamton, N. Y., Annual Statement..... 109
Seneca Fire of Buffalo.....108, 277
Senior, Leon S., on Adequate Fire Insurance Rates 327
Shallcross, Capt. J. Lewis, Death of..... 356
Shaw, James G., Complimentary Luncheon to. 494
Shawnee Litigation against Newman & MacBain 257
Shenandoah Life of Roanoke, Va..... 110
Shoe Factories, Use of Celluloid in, by E. H. Bartlett and H. P. Bruce..... 379
Sickness Registration, National, Dr. Dublin on 509, 527
Sioux City, Ia., Loss Ratio in.....512, 543
Skilton, DeWitt Clinton, Death of...7, 47, 48, 145
Small Fire Insurance Companies Discussed, 253, 297
Snow, Elbridge G., Birthday Anniversary of. 70
Social Insurance, International Congress on.. 73
South Carolina and Reinsurance of Liability on State Buildings..... 276
South Carolina Association of Local Agents.. 484
South Carolina, Fire Loss of.....48, 147, 546
South Carolina Insurance Commissionership.. 70
Southeastern Life Convention, Organization of 353
Southeastern Texas Local Fire Insurance Agents Association, Organization of..... 407

PAGE.

South-Eastern Underwriters' Association..215, 352, 424, 509, 513
South-Eastern Underwriters' Association, Proceedings of Thirty-third Annual Meeting 509, 513
Southern Central Life of Jackson, Miss..... 148
Southern Fire Underwriters, Organization of.. 91
Southern Life Insurance Companies, Conference of, First Annual Meeting..... 492
Southern Life and Trust of Greensboro, N. C., Official Changes..... 136
Southern Managers of the Mutual Life..... 73
Southern States Fire, Official Changes..... 231
Southern States Mutual Life, Change of Name of 134
Southern Surety Company..... 518
Southern Tornado Association, Official Changes 544
Southland Life.....302, 354, 427, 516
Southwestern Casualty Company, Reinsurance of Accident and Health Business of.... 57
Southwestern Life of Greenville, N. C., Official Changes 258
Southwestern Surety.....195, 467
St. Joseph Life of Missouri, Official Changes.. 76
St. Louis, Expense Reduction Plan in..... 512
St. Louis, Fire Losses in..... 216
St. Louis Fire Prevention Bureau..... 192
St. Louis, Reduction of Fire Insurance Agency, Expenses in..... 172
St. Paul Fire and Marine..... 564
Spontaneous Combustion, Charles C. Dominge on 350
Springfield Fire and Marine, Annual Statement 90
Springfield Mutual Liability Company..... 468
Standard Accident Company..... 35
Standardization of Fire Insurance Methods Advocated 421
Standard Life of Pittsburgh, Official Changes. 109
State, Fire Insurance by the, Comment on.. 170
State, Fire Insurance by the, Commissioner Potts on..... 308
State Fire Marshal, Illinois, Report of..... 324
State Fire Marshal, Powers of, in Indiana.. 543
State, Insurance by the, the Wisconsin Scheme 145
State Insurance, Scheme of Wisconsin, Discussed 297
State Fire of Omaha, Reinsurance of..... 425
State Mutual Life General Agents' Association 545
State Mutual Life of Rome, Ga.....94, 110
State Rate Making, Decision of the United States Supreme Court in Kansas Case, 349, 362, 363, 369, 388
State Rate Making, Commissioner Hardison on 581
Steam Boiler and Flywheel Service and Information Bureau..... 136
Steam Boiler Insurance, Address by Lyman B. Brainerd..... 241
Steam Boiler Insurance, W. R. C. Corson on Use and Occupancy Coverage Under..... 357
Steam Boilers, Standardization of Construction of 548
Steele, Raymond D..... 150
Sterling Fire, Official Changes..... 176
Stoddart, Dr. William, Death of..... 549
Stokes, Henry B., Death of..... 35
Stolen Automobiles, Roundup of..... 330
Stone, John T., and an Accident Policy Without Frills.....481, 499
Strauss, Charles H., Death of..... 549
Sturm, Simon, Death of..... 340
Stuyvesant Fire, Reinsurance of..... 216
Suburban Fire Insurance Exchange..71, 132, 324, 351
Suffragettes and Fires in England..... 544
Sun of London..... 426
Sun Underwriters of London..... 172
Superior Life of Chicago, Organization of... 465
Surety Bonding, Big Chicago Losses on..577, 597
Surety Bonding, Information on Discriminations in, Asked for..... 548
Surety Bonding, Mississippi Experience in 1913 217
Surety Bonding, San Francisco Rates of.... 548
Surety Companies and New York Vice..... 95
Surety Underwriting Conditions, Review of, by W. B. Joyce..... 34
Suspicious Fires and Illinois Action on..... 425
Svea Fire and Life..... 544
Syracuse, N. Y., Fire Hazards of..... 190

TABB, DR. H. CABELL, Death of..... 440
Tacoma Life Underwriters' Association.. 73
Talbot, Walter M., Elected President of the Fidelity Mutual Life..... 173
Talley, Alfred J., Resignation of, from New York Insurance Department.....35, 48, 406
Taxation, Alabama Figures of..... 566
Taxation, Col. Walker Taylor on..... 592
Taxation of Life Insurance, E. H. Woods on, 374, 537
Taxation of Life Insurance, Pennsylvania Litigation Over..... 464
Taxation of Insurance. See also Insurance Taxation.
Taxation, Ohio Burden of..... 232
Taxation, Oklahoma Figures of..... 565
Taxes and Suits to Recover..... 593
Taxes, Suits to Recover Illegal Federal..... 425

Digitized by Google

PAGE.
Teachers' International Life of Chicago..... 302
Technicalities and Surety Bonding..... 235
Tennessee Fire Prevention Association..... 91
Tennessee Inspection Bureau, Sale of Plant of. 232
Tennessee State Workmen's Compensation Commission 151, 597
Texarkana, Ark., Fire Hazards of..... 106
Texas and Incendiary Fires..... 514
Texas Association of Life Underwriters..... 516
Texas Employers' Association, Policy of Protested 548
Texas Fidelity and Bonding Company....175, 195
Texas, Fire Loss Ratio in.....4, 257, 277
Texas, Life Insurance Companies of..... 233
Texas State Fire Insurance Commission..91, 172, 540, 544
"The Conquest of Fire," Publication of, by the New York Underwriters' Agency.... 47
"The Inspector and the Insured," Address on, by F. M. Griswold..... 180
(The) *Insurance Field*, Tri-weekly Editions of. 4
(The) *Insurance Field*, New Edition of..... 304
"The Liability Inspector, the Master, and the Man," Robert H. Pearson on (Illustrated) 569
(The) *National Compensation Journal*..... 494
(The) *Pacific Insurance Review*, Launching of 377
"The Significance of a Declining Death Rate," Frederick L. Hoffman on..... 32
"The Story of the Storm," by J. J. McDonald 590
THE WEEKLY UNDERWRITER, Change of Printer. Its Veteran Compositors..... 105
Three Trades Fire of Louisville, Organization of 30, 256
Tilton, Colonel John, Death of..... 518
Tontine Values, Suit to Enforce Agents' Ideas of 149
Tornado Insurance Discussed..... 590
Travelers of Hartford.....33, 303
Travelers of Hartford, Annual Statement.... 109
Travelers of Hartford, Attempt to Blackmail President Dunham..... 279
Travelers of Hartford, Golden Anniversary of, 135, 229, 278, 301
Troy, N. Y., Board of Underwriters..131, 276, 324
Tunneling, Robert H. Pearson on Inspection of (Illustrated)..... 429
Tunneling, Safety in..... 237
Tupper, Wilbur S..... 340
Turner, Charles M., Death of..... 195
Two Republics Life of El Paso, Tex., Official Changes 259, 261

USCASCO Service Club..... 218
Unauthorized Insurance, Arkansas Complaints of..... 593
Unauthorized Insurance, New York Conviction of..... 406
Unauthorized Insurance, Prosecutions for..546, 566
Unavoidable Accident, Death of R. D. Lankford by..... 74
Underwriters' Annexes or Agencies and the Pacific Board of Underwriters..... 564
Underwriters' Annexes, Illinois Ruling Against.....423, 558, 589, 593
Underwriters' Annexes, Michigan Ruling on, 171, 190, 254
Underwriters' Annexes, Mississippi Taxation of 407, 544
Underwriters' Annexes, Movement of Superintendent Potts of Illinois to Suppress, Discussed 589
Underwriters' Annexes, Opposition to, at Augusta, Ga.....398, 424
Underwriters' Association of the Middle Department 71
Underwriters' Association of New York State. 425
Underwriters' Laboratories, Manager W. H. Merrill on..... 403
Underwriters' Salvage Company, Annual Meeting 215
Uniformity in Fire Insurance Practices, E. G. Richards on..... 45
Union Casualty of Philadelphia.....57, 95
Union Central Life of Cincinnati.....109, 428
Union Liability of Chicago, Official Changes.. 76
Union Life of Toronto..... 109
Union Life and Merchants and Manufacturers' Life, Consolidation of..... 94
Union Mutual Life..... 408
Union, N. J., Conflagration Hazard of..... 276
Universal Life of Cleveland, O..51, 233, 408, 427
United States and Dominion Life, Receiver for 408
United States Annuity and Life, Annual Statement 72
United States Casualty.....74, 150, 175, 409
United States Fidelity and Guaranty..75, 355, 579
United States Guarantee Company..... 52
United States Health and Accident, Merger of. 442
United States Mails and Unauthorized Insurance 484
Utah Association of Life Insurance Managers. 378
Utah Association of Life Underwriters, Annual Meeting..... 377
Utah Insurance Commissionership.....372, 564
Utah, 1913 Fire Loss Record of..... 277
Utica Mutual Compensation Insurance Company 235

VALLEY City Mutual Fire of North Dakota, Receivership for..... 564

PAGE.
Vermont Accident Company, Conviction of Former President of..... 339
Villa, Gen., Life Insurance of..... 149
Virginia Association of Life Underwriters.... 193
Virginia Insurance Commissionership..... 70
Virginia State Insurance Congress..... 545
Vulcan Fire of New York, Reinsurance of Business 3
Vulcan Fire of New York, Resumption of Business by.....108, 132

WAIVER of Premiums, Massachusetts Ruling on..... 354
Walker, Dexter H., Death of.....176, 196
Walsh, Governor, of Massachusetts, Demands Regulation of Fire and Life Insurance... 45
Wanamaker and Stock Fire Insurance..... 257
War Hazards in Life Insurance Discussed.... 421
Warehouses, Overloaded Conditions in..... 323
War-Time Life Insurance Rates Discussed... 398
Washington Fire of Washington, Pa., Organization of..... 351
Washington Industrial Insurance Commission, Report of Business of..... 596
Washington State Association of Local Fire Insurance Agents, Annual Meeting..... 372
Washington State Industrial Commission..74, 218, 410, 498
Water Supply of New York City..... 236
Wellesley College, Insurance Loss on..... 257
Westchester Fire of New York.....48, 92, 132
Western Adjustment and Inspection Company, 71, 108
Western Automobile Conference.....91, 111, 277
Western Factory Association, Election of Officers 372
Western Life of Council Bluffs, Ia..... 33
Western Fire of Pittsburgh, Partial Reinsurance 108
Western Indemnity of Dallas, Tex..... 151
Western Insurance Bureau.....231, 257
Western Insurance Bureau, Annual Meeting, 323, 372
Western Sprinklered Risk Association..... 107
Western Union..191, 216, 270, 323, 371, 463, 544
Western Union and the Western Insurance Bureau.....351, 399, 405, 540, 544
Western Union Fire of Vancouver, Reinsurance of..... 4
Western Union Life, Official Changes..... 193
Western Union, Semi-Annual Meeting..... 299
West Hoboken, N. J., Fire Hazards of..... 230
West Virginia and State Fire Marshalship... 351
West Virginia and Workmen's Compensation Fund of..... 517
West Virginia Association of Local Fire Insurance Agents, Annual Meeting.....544, 564
West Virginia Fire Marshalship..... 372
West Virginia Fire Underwriters' Association, Election of Officers..... 171
White, Charles H., Death of..... 440
Whitney, Albert W., Appointed Manager of the New York Workmen's Compensation Bureau 134, 234
Wholesale Grocers' Reciprocal Indemnity Exchange, Payment Refused by..... 424
Wilkes-Barre Underwriters' Association, Arrest of Members of..... 276
Williamsburgh City Fire, Organization of New. 3
Williamsport, Pa., Conflagration Hazard of... 484
Wilmington, Del., Conflagration Hazard of... 371
Wilson, Col. Edgar S., Death of..... 598
Winslow, E. H., Fortieth Anniversary as President of Metropolitan Casualty..... 355
Wisconsin, Commissioner Ekern on Insurance Situation in..... 484
Wisconsin Scheme of State Insurance in All Branches 145
Wisconsin State Fire Insurance Fund....277, 544
Wisconsin State Insurance Scheme Discussed. 297
Witkowsky, Conrad, Death of..... 289
Wolfe, S. H., on Fidelity Bond Reserves..213, 219
Woodmen of the World..... 339
Woods, E. A., on Life Insurance Taxation, 374, 537
Woodward, J. H., Actuary of the New York Workmen's Compensation Commission... 340
Woolworth Building, Fire Insurance of..216, 544
Woolverton, William Henderson, Death of..76, 96
Worcester Mutual Insurance Company..... 108
Workmen's Compensation and Willimantic, Conn. 440
Workmen's Compensation, Classifications of....52
Workmen's Compensation, Consideration of, in Tennessee.....151, 330, 339, 597
Workmen's Compensation, Cost of, in Cleveland, O..... 547
Workmen's Compensation, Dwight & Hilles on. 235
Workmen's Compensation, First Connecticut Claim Under.....34, 52, 175, 339
Workmen's Compensation, First Year of Operation Under Massachusetts Law..110, 111, 303, 330, 518, 597
Workmen's Compensation, French Frauds in.. 194
Workmen's Compensation, F. Robertson Jones on Law of, for Pennsylvania..... 259
Workmen's Compensation, Future of, in Ontario 466
Workmen's Compensation, Illinois Rulings of. 355
Workmen's Compensation, Illinois Law of, Upheld 175, 195

PAGE.
Workmen's Compensation in California...34, 74, 75, 339, 518, 579
Workmen's Compensation in New York..33, 75, 111, 235, 330, 410, 428, 516, 517, 518, 541, 567, 597
Workmen's Compensation in New York, Analytic Scheddle for..... 235
Workmen's Compensation Law in New York, Appointment of Commissioners Under, 229, 218, 304
Workmen's Compensation in New York, Commissions of..... 579
Workmen's Compensation in New York, Defence of the Law at a Meeting of the Merchants' Association.....589, 599
Workmen's Compensation Law in New York, Editorially Discussed.....537, 541, 557, 567
Workmen's Compensation in New York, Exposition of the Law of..... 153
Workmen's Compensation in New York, James J. Hoey on..... 149
Workmen's Compensation in New York, Municipal Employees Under the Law..... 321
Workmen's Compensation in New York, Mutual Companies for.....175, 279
Workmen's Compensation in New York, Rates Discussed 397
Workmen's Compensation in New York, Reinsurance Pool for..... 548
Workmen's Compensation in New York, Self-insurers Under the Law..... 548
Workmen's Compensation in New York, Standard Policy for.....378, 467
Workmen's Compensation in New York, the Inspection Rating Board.....450, 465
Workmen's Compensation in New York, the *Insurance Field* on..... 547
Workmen's Compensation in New York, the New York *Times* on..... 547
Workmen's Compensation Insurance, Rhode Island Premiums of..... 280
Workmen's Compensation in Texas..52, 74, 136, 151, 174, 356, 385, 410, 439
Workmen's Compensation, Iowa Situation.... 597
Workmen's Compensation, Interinsurance Plan of 57
Workmen's Compensation, Kentucky Law of, 303, 304
Workmen's Compensation, Maryland Bills for. 111
Workmen's Compensation, Minnesota Law of, 218, 467
Workmen's Compensation, Nebraska Vote on. 355
Workmen's Compensation, New Jersey Court Ruling as to Alien Dependents..... 339
Workmen's Compensation, New Jersey, Punishment for Perjury..... 355
Workmen's Compensation, New Jersey, Reduction of Rates..... 218
Workmen's Compensation, New Order for, in Canal Zone..... 260
Workmen's Compensation, New Oregon Law of 596
Workmen's Compensation, Ohio Law of..111, 136, 385
Workmen's Compensation Publicity Bureau.. 596
Workmen's Compensation Service Bureau..134, 217, 280
Workmen's Compensation Service Bureau, New Chairman..... 234
Workmen's Compensation, Stability of West Virginia Insurance Fund of..... 409
Workmen's Compensation, Status of Wooden Legs 467
Workmen's Compensation Insurance, T. E. Gaty on Rising Cost of..... 33
Workmen's Compensation, Vermont Commission Bill..... 94
Workmen's Compensation, Virginia Bill for, 52, 135
Workmen's Compensation, Washington Ruling on..... 518
Workmen's Compensation, Wisconsin Benefits Under 75
World's Insurance Congress of 1915 at San Francisco..192, 215, 217, 255, 325, 400, 427, 566
World's Insurance Congress, Suggestions as to, by President Kingsley.....449, 470
Wortham, Charles E., Jr..... 440

YALE Graduates, Comparison of Incomes of. 515
Yorkshire Insurance Company..... 216
Young, Commissioner, Establishment of a Weekly News Bulletin by..... 169

ZURICH General Accident and Liability... 304

FIRE INSURANCE STATISTICS—OFFICIAL REPORTS.

LOSSES BY FIRE.
Fire Losses in the United States and Canada, 30, 131, 214, 299, 422, 539
Fire Losses in the United States, Classified, 15, 115, 201, 285, 381, 521

STATE INSURANCE REPORTS.
Canada Insurance Report..... 540
Colorado Insurance Report..... 410

Digitized by Google

PAGE.
Connecticut Fire Insurance Report..... 305
Connecticut Life Insurance Report..... 492
Connecticut Miscellaneous Insurance Report.. 500
Connecticut Fraternal Insurance Report..... 565
Illinois Insurance Report..... 491
Massachusetts Fire Insurance Report..... 580
Michigan Insurance Report..... 592
Minnesota Fire Insurance Report..... 452
New York Fire Insurance Report..... 482
New York Insurance Report..... 176
New York Life, Casualty and Miscellaneous Insurance Report..... 290
Vermont Insurance Report..... 411
Wisconsin Insurance Report..... 491

INSURANCE LEGISLATION.

Colorado—
Special Session..... 444

Georgia—
Convening of Legislature..... 601

Idaho—
Report of Workmen's Compensation Commission 139

Kentucky—
Abolishing Liability Defenses (Greene).. 97
Accident Insurance by Life Companies (Booles) 97
Accident and Health Cancellations (McNally) 139
Accident and Health Cancellations (Knight) 112
Accident and Health Cancellations (McManus) 112
Agents Licenses (Wilson)..... 97
Amending Life Insurance Law (Lay) (Zimmerman) 161
Assessment Fire Insurance Companies (Davis) 206
Assessment Fire Insurance Companies (Judy) 181
Blue Sky Law (Coke)..... 58
Burial Insurance (Moore)..... 206
Cancellation of Surety Bonds (Ford)..... 206
Certain Liability Insurance Prohibited (Knight) 112
Certain Liability Insurance Prohibited (McNally) 112
Coinsurance and Valued Policies (Judy).. 206
Contributory Negligence (Welch)..... 79
Co-operative and Assessment Fire Insurance (Ford)..... 112
Co-operative Life and Casualty Insurance (Polin) 79
Co-operative Insurance (Scott)..... 79
Employers' Liability Mutuals (Reed).... 181
Extending Law of Attachment to Corporations (Scott)..... 97
Fellow Servant Rule (Duffy)..... 58
Fire Insurance Rating by the State (Greene-Glenn)..79, 97, 161, 181, 222, 246
Fraternals (Sutcheraft)..... 97
Governing Fire Insurance (Wilson)..... 139
Insurance Committees..... 97
Insurance Companies to be Defendants (Knight) 112
Insurance Risks (Pumphrey)..... 79
Liability of Common Carriers (Flippin).. 58
Life Insurance Net Values (Pumphrey).. 79
Lobbyists and Lobbying (Ray)..... 58
Message of Governor..... 37
Personal Injury Settlements (McNally).. 206
Regulating Co-operative Insurance (Overstreet) 97
Regulating Corporations (Reed)..... 97
Regulating Life Insurance (Smith)..... 97
Reinstatements (Scott)..... 161
Relating to Insurance Department..... 181
Repeal of Valued Policy Law (Speer)... 162
Report Industrial Accidents (Williams).. 79
Resident Agents for Process (Brock).... 79
Summary of Legislation.....246, 267
Tax on Unauthorized Reinsurance (Speer) 222
Unauthorized Insurance (Cory)..... 58
Unauthorized Reinsurance (Hamilton)... 139
Uniform Prices for Products (Arnett)... 112
Workmen's Compensation...58, 161, 222, 246
Workmen's Compensation (Duffy)..... 58
Workmen's Compensation (Knight)..... 161
Workmen's Compensation (Meyers)..... 58
Workmen's Compensation (Walten)...79, 97

Louisiana—
Accident and Health Insurance Provisions (Tete)..... 582
Brokers' Licenses (Tete)..... 583
Commissions to Resident Agents (Mouton) 583, 601
Companies to Examine Assured's Books (Jones).....444, 582, 583
Companies to Pay Examination Expense (Mouton) 601
Embezzlement by Agents (Tete)..... 583
Employers Furnish Safe Tools, etc. (Roberts) 582
Exempting Life Insurance Policy Proceeds from Debt (Davey)..... 601
Fire Companies to File Classifications (Mouton) 601

PAGE.
Louisiana—Continued.
Fire Marshal, State (Generally).....472, 582
Fire Prevention Bureau (Johnson)..... 502
Flue Stipulations Void (Edwards)..... 530
Forbidding Publishing False Statements (Koppel) 582
Insurance Committees 472
Insurers Liable to Owners Only (Shell).. 472
Message of Governor..... 444
Names of Companies (Tete)..... 583
Prohibiting Misrepresentation, etc. (Tete) 582
Reciprocal and Inter-insurance (Leopold), 582, 583, 601
Report of Classified Premiums and Losses (Johnson) 583
Standard Fire Insurance Policy (Friedrichs) 601
Surety Bond Settlements (Abry)....550, 582, 583
Taxation of Fire Insurance Companies for Fire Departments (Fontenot)....472, 582
Valuation of Insurance Property (Neintz) 530
Workmen's Compensation (Burke)...472, 550, 583

Maryland—
Agents' License Fees (Thomas)..... 206
Agents' License Fees (Reinhart)..... 206
Agents' Licenses (McIntosh)..... 181
Agents, Registration of..... 246
Beneficiaries to be Named (Maloy)..... 222
Compulsory Investments.....112, 267
Compulsory Investments of Life Reserves (Wilkinson) 140
Contracts of Surety (McIntosh)..... 267
Co-operative Annuity Systems (Altfeld).. 162
Conversion to Stock Corporations (Campbell) 246
Examination of Companies (Campbell)... 79
Group Life Insurance.....222, 246
Health Insurance Companies (Beck)..... 181
Insurance Brokers (McIntosh)..... 181
Insurance Committees..... 79
Liquidations of Insolvent Companies (McIntosh) 181
Message of Governor..... 37
Organizing Life Insurance Companies (Maloy) 162
Prohibiting Group Insurance..... 222
Publication of Annual Statements (Beck), 162, 267
Relating to the Insurance Department (McIntosh) 181
Summary of Legislation.....310, 391
Taxation (Maloy) 97
Tax on Unauthorized Insurance (McIntosh) 267
To Value Life Insurance Policies (Beck) 162
Workmen's Compensation 222
Workmen's Compensation (Ford)..... 181
Workmen's Compensation (Hammond), 97, 267, 292
Workmen's Compensation (McQuaide)... 181
Workmen's Compensation (Shehan)..... 140
Workmen's Compensation (Trippe)..... 162
Workmen's Compensation (Waters)..... 162

Massachusetts—
Additional Methods of Compensation (Judiciary Committee)..... 414
Adjusters Licenses.....139, 246, 247, 267
Admission of Foreign Insurance Companies 139
Agents to Hold Brokers' Licenses..... 112
Anti-discrimination, Other than Life..... 139
Appraisal of Insured Property..... 58
Assets of Foreign Mutuals..... 246
Branch Offices of the Industrial Accident Board 80
Boston Fire Prevention (Committee on Metropolitan Fires)..... 502
Brokers' Licenses.....139, 292
Broker the Company's Agent.....139, 292
Casualty Insurance Payments Monthly... 139
Casualty Loss Payments..... 601
Companies to Furnish Information to the Industrial Accident Board..... 98
Compensation After Eighth Day..... 112
Compensation Benefits Monthly.....292, 444
Compensation Benefits to Towns and Villages 414
Compensation to Begin on Seventh Day.. 98
Compensation to Begin from Day of Injury 80, 98, 139
Compensation Payments.....80, 97, 98, 414
Compensation Payments to Cease at Death of Injured..... 80
Compulsory Investments 112
Defining "Personal Injury".....80, 341
Defining Dependents 139
Disposition of Unpaid Commissions..... 112
Fire Insurance in Boston Limited..... 112
Fraternals 139, 347
Increase of Workmen's Compensation Benefits (Judiciary Committee)..391, 601
Inducements to Insurance.....139, 246
Industrial Accident Board to Supervise All Companies Writing Workmen's Compensation Insurance..... 98
Industrial Life Policies Incontestable.... 112
Insolvency of Mutual Subscriber..... 80
Insurance Against Explosion of Tanks (Collins) 246, 292, 341

PAGE.
Massachusetts—Continued.
Insurance Committees..... 58
Life Agents' Compensation; Anti-rebating 112
Life Insurance Loans and Surrender Values 247, 601
Limiting Business of Fire Companies.... 112
Limiting Reinsurance..... 139
Loans and Surrender Values (Insurance Commissioner) 80, 391
Medical and Hospital Services..... 80
Message of Governor..... 37
Methods of Paying Losses..... 267
Mutual Marine Insurance Companies.... 80
General Workmen's Compensation Amendments 98
Payments of Casualty Insurance Losses, 112, 391
Payment of Losses..... 247
Personal Injury Payments..... 550
Reciprocal Insurance..... 98
Reciprocals and Interinsurers.....98, 247
Recommendations of Insurance Commissioner 79
Recovery of Damages for Death..... 112
Reinsurance (Insurance Commissioner).. 80
Reinsurance in Unadmitted Companies, 139, 292, 391, 601
Reinsurances Limited..... 246
Separate Insurance and Investment Accounts..58, 80, 98, 267, 292, 310, 363, 391
Service on Foreign Corporations..... 79
Service of Notice (Judiciary Committee). 98
Selection of Physician..... 80
Standard Fire Policy.....139, 246
Tests for Company Solvency..... 247
Underwriters' Agency Advertising..... 112
Unclaimed Commissions..... 292
Valued Policy Law.....139, 246
Workmen's Compensation (see also Compensation) 98, 112, 139

Mississippi—
Actions for Fatal Injuries (Potter)..... 58
Actual Ownership Immaterial (Bramlett). 181
Anti-Twisting (Malette) 80
Assumption of Risk Abolished (Fatheree) 98
Attorneys' Fees (Watson)..... 80
Bonds Filed by Fraternals (Roddie)..... 162
Bonds for Protection of Policyholders (Barry) 80
Compulsory Life Insurance Investments (Brown) 112
Compulsory Life Insurance Investments (Caruthers) 162
Compulsory Life Insurance Investments, 162, 206, 222, 246, 267
Contracts of Surety (Covington)..... 162
Contracts of Surety (Norwood)..... 58
Damages for Injuries (Mounger)..... 112
Deduction of Premiums from Wages (Rushing) 80
Deduction of Premiums from Wages (Watson) 80
Deposit of Bonds (Gandy)..... 206
Endorsements by Fire Insurance Agents (Barry) 181
Filing Bonds for Protection of Policyholders (Barry)..... 162
Foreign Corporations Barred..... 247
Fraternal Officers' Salaries (McLaurin).. 162
Insurance Committees..... 80
Interinsurance (Denison)..... 112
Interinsurance (Mallette)..... 112
Liability Loss Reserves (Russell)....112, 139, 267
Life Insurance Agents (Benefield)..... 181
Life Insurance Company Bonds (Hobbs). 181
Local Business of Foreign Corporations (Bramlette) 112
Message of Governor.....58, 80
Misrepresentation and Embezzling (Malette) 80
Mobile Fraternal Bill (Denson)..... 112
Mutual Fire Guaranty Funds (Gandy)... 206
Payment of Losses..... 247
Privilege Taxes (Mott).....80, 98
Reciprocal Treatment of Companies (Malette) 80
Regulating Fire Insurance (Mott)..... 98
Regulation of Fraternals (Russell)..... 112
Regulation of Insurance (Mott)..... 58
Removal of Actions to Federal Courts (McLaurin) 80
State Liability Insurance (Anderson).... 80
Surety Bonds (Boswell)..... 58
Suits to Recover for Personal Injury (West) 112
Taxation (Greaves)..... 98
Taxation of Domestic Companies (Rushing) 162
Workmen's Compensation (Potter)..... 58
Workmen's Compensation (Potter), Withdrawn 98

Minnesota—
Short Term Fire Insurance Rates..... 80

New Jersey—
Automobile Drivers to Report Accidents (McGinnis) 98
Boiler Inspections (Quinn)..... 81
Capital of Mutual Fire Companies (Burton) 206

Digitized by Google

PAGE.

New Jersey—Continued.
Combination Residence Policies (Branegan) 206
Classification and Rates (Richards)..... 112
Companies to Use Own Names (Burton).. 206
Compensation Payments (Dalrymple)..... 206
Compensation Schedules Amending (McGinnis) 182
Defining Dependents (Edge)..... 81
Deposits of Securities (Burton)..... 206
Domestic Mutual Fire Companies (Hutchinson) 162
Employers' Liability Schedules..... 292
Employers' Liability Schedules (McCabe) 206
Employers' Liability Schedules (Quinn).. 206
Employers' Liability Exemptions (Gaunt) 162
Exemption of Farm Laborers and Domestic Servants..... 267
Extending Employers' Liability Law (Barber) 206, 247
Funeral Benefit Associations.....267, 292
Hospital Service and Medicines (Quinn).. 206
Increased Power to State Fire Marshal.. 267
Industrial Life Insurance (Griffin)..... 206
Industrial Life Insurance Agents....246, 267
Insurance Committees..... 59
Investments of Corporations (Hutchinson) 206
Liability of Third Persons (Rowe)..... 182
Licenses of Agents and Brokers..... 267
Licenses of Fire Insurance Adjusters (Carroll) 139, 246, 292
Life Insurance Misrepresentations..... 292
Life Premium Waivers for Disability.... 139
Limiting Reinsurances (Burton)..... 182
Limiting Reinsurances (Kirkpatrick)..182, 223, 267, 292
Live Stock Insurance (Carroll)..182, 267, 292
Medical Fees (Mulligan).....59, 267
Message of Governor..... 58
Misrepresentations (Edge).....206, 267
Municipalities to Pay Bond Premiums (Foley) 206
Mutual Benefit Associations (McGinnis).. 139
Occupational Diseases (Quinn)..... 59
Proofs of Loss (Burton)..... 206
Ratemaking Organizations..... 206
Removal of Cases to Federal Courts (McGinnis) 206, 267
Report Industrial Accidents (Edge)..... 206
Report All Premiums..... 223
Report Reinsurance Premiums (Read), 182, 247, 267
State Fire Marshal (Holcomb)..... 206
Submission of "Wilful Injury" to Jury (Holcomb) 187
Summary of Legislation.....241, 310, 363
Taxation (Egan) 59
Taxation of Unauthorized Insurance (Curram) 206, 292
Valuation of Life Policies (Kates)..... 81
Waiver of Premium Clause..... 267

New York—
Abolition of State Fire Marshal (Hinman) 119, 207, 223
Adjusters Licenses (Rampsberger)...182, 247
Agents' License Bills (Horton)..... 182
Approval of Compensation Insurance Rates, Veto..... 22
Casualty Insurance Mergers (McElligott) 207
Certificates for other-State Business (Rampsberger) 247, 267
Deposits as Trust Funds (Rampsberger), 81, 247
Elevator Damage Insurance (Rampsberger) 207
Exempting Health and Accident Insurance from Requirements Regarding Agents (Rampsberger) 99
Fraternal Annual Reports (Rampsberger), 207, 267
Fraternal Industrial Life Insurance (Ferry) 206
Group Life Insurance (Ferry)..... 207
Handling Explosives (Wende)..... 119
Industrial Insurance Extensions (Ittleman) 119
Insurance Committees 81
Investments in Other Companies (Rampsberger) 223
Limiting Life Company Expenditures (Quick) 223
Message of Governor..... 38
Multiple Reinsurance Companies (Rampsberger) 223
Mutual Automobile Insurance Companies (Foley) 247
Mutual Liability and Compensation Reserves (Gillett)..... 182
New York Fire Insurance Exchange..192, 215
New York Underwriters' Agency..... 191
Old Age Pensions (Henschel)..... 206
Providing for Licensing Health and Accident Insurance Agents..... 99
Readjustments of Franchise Taxes (White) 162
Residence Policies..... 247
Restricting Authority of the State Fire Marshal 99
Service on Foreign Fraternals (Peckham) 139
Standard Fire Policy Amendment (Horton) 247

PAGE.

New York—Continued.
State to Pay for Examinations (Rampsberger) 207
Summary of Legislation....241, 292, 311, 363
Workmen's Compensation Law, Reenactment of.....112, 207, 223, 247, 267
Workmen's Compensation Rates (Rampsberger) 81

Ohio—
Call for Special Session.....38, 59
Mutual Fire Companies (Fellinger)..... 139

Rhode Island—
Blue Sky Law (Monroe)..... 59
Blue Sky Law (Hartford)..... 59
Control of Fire Insurance Premiums (Champlin) 392
Fraternal Insurance Amendments (Hammill) 162, 182, 268
Industrial Commission (Pierce)..... 311
Insurance Committees..... 59
Message of Governor..... 38
Mothers' Pensions (Atwood)..... 59
Reciprocal Taxes and Fees (Hambly).... 182
Requiring Medical Examinations (Munroe) 139
Summary of Legislation..... 414
Workmen's Compensation (Archambault) 119
Workmen's Compensation (Munroe)..... 162

South Carolina—
Abolishing Fellow Servant Defense (Wyche) 119
Admission of Life Insurance Companies (Nicholson) 59
Age of Insured in Policies..... 59
Anti-Compact (Kitchin) 59
Anti-compact (Williams and Jordan).... 59
Bonds of State Officers..... 99
Casualty Insurance Policies (Rembert).. 139
Compulsory Investments (Lide).....22, 59
Discriminating Rates (Mauldin)..... 59
Fire Insurance Classifications..... 59
License Fees (DeLaughter) 59
Permitting Competitive Rates..... 140
Reinsurance of State Fire Insurance..... 182
Removal of Actions to Federal Courts (Insurance Committee)..... 81
Report Industrial Accidents..... 59
State Life Fund (Weston)..... 59
Summary of Legislation..... 223
Workmen's Compensation (Whaley)..... 139

Texas—
Extra Session..... 162

United States Congress—
Denying Mails to Unauthorized Companies (Carter) 583
District of Columbia Insurance Law..391, 444
Exclusion of Unauthorized Companies from Mails (Carter)..... 550
Federal Fidelity Division (Byrnes)..... 81
Federal Supervision of Insurance (Davis) 81
Federal Postoffice Bonding Departments (Moon) 81
Kansas Fire Insurance Rating Case..... 388
Land Mortgage Banks (Moss)..... 444
Real Estate and Insurance (Johnson).... 119
Report on Income Tax Liability..... 583

Virginia—
Compulsory Life Insurance Investments (Robertson) 82
Contracts of Surety (Blanks)..... 82
Contracts of Surety (Taylor, Grant and Lewis) 82
Contributory Negligence (White)..... 182
Defining "12 o'clock noon" (West)..... 119
Deposits of Insurance Companies (Rinehart and Buchanan)..... 119
Deposit of Surety Bonds (Chalkeley and Oliver) 99
Employers' Liability (Katron)..... 119
Fire Loss Adjustments (Smith)..... 99
Fire Policies Under Company Names Only (Paxton) 140
Insurance Committees..... 82
Liability of Common Carriers (White).. 82
Life Insurance Policy Loans (Montague). 59
Message of Governor.....81, 119
Mobile-New York Fraternal Bill (Tavenner) 59
Negligence to be Pleaded (Wendenberg and Cannon) 99
Policyholders' Lien on State Deposits (West) 140
State Fire Insurance Rating Board (Smith) 82
State Insurance of Public Buildings (Smith) 162
State Insurance of Public Property (Ralston) 99
Summary of Legislation....223, 247, 268, 293
Taxation of Bank Deposits (Smith)..... 59
Taxing of Evidences of Debt (Pitts).... 82
Taxation of Notes, etc. (Smith)..... 59
Taxation of Reinsurance Premiums (Massie) 162
Voiding of Fire Insurance Policies (Tavenner and Smith)..... 162
Workmen's Compensation (Chalkeley).... 59

INSURANCE IN THE COURTS.

FIRE INSURANCE.

TABLE OF CASES. PAGE.

Aachen and Munich Fire Ins. Co. *vs.* Arabian Toilet Goods Co..... 382
Abbeville Greenwood Mutual Ins. Assn., Henderson *vs.*..... 383
Akin, National Union Fire Ins. Co. *vs.*..... 15
Alsop Ins. Co. *vs.* Continental Ins. Co..... 203
American Central Ins. Co., Rawls *vs.*..... 525
American Cent. Ins. Co., Phœnix *vs.*..... 17
American Fire Ins. Co. of Newark, N. J. *vs.* Minsker Realty Co..... 118
American Ins. Co., O'Neill *vs.*..... 16
American Ins. Co. of Newark, N. J., Patterson *vs.*..... 16
American Union Fire Ins. Co., The Fair, Ltd. *vs.*..... 522
Amusement Syndicate Co. et al. *vs.* Milwaukee Mechanics' Ins. Co..... 117
Amusement Syndicate Co. et al. *vs.* Prussian National Ins. Co..... 117
Arabian Toilet Goods Co., Aachen and Munich Fire Ins. Co. *vs.*..... 382
Atlantic Coast Line R. R. Co., Fidelity Ins. Co. et al. *vs.*..... 288
Austin Fire Ins. Co. *vs.* Brown..... 17
Austin Fire Ins. Co., Polemanakoo *vs.*..... 117
Baltimore Asbestos Co., National Union Fire Ins. Co. of Pittsburg *vs.*..... 204
Bass *vs.* Phœnix Ins. Co. of Hartford..... 524
Bass *vs.* Williamsburgh City Fire Ins. Co.... 524
Bass *vs.* Royal Exchange Ins. Co..... 524
Batson, Monongahela Ins. Co. *vs.*..... 286
Black *vs.* Fidelity-Phenix Ins. Co..... 522
Blackmer, Coykendall *vs.*..... 382
Bragg, St. Paul Fire and Marine Ins. Co. *vs.* 203
Brown, Austin Fire Ins. Co. *vs.*..... 17
Caledonian Ins. Co., O'Neill *vs.*..... 16
Camden Fire Ins. Assn. of Camden, N. J. *vs.* Puett 384
Cary *vs.* City of Oneida..... 18
Chicago and Alton R. R. Co., Globe and Rutgers Fire Ins. Co. *vs.*..... 17
City of Aurora *vs.* Firemen's Fund Ins. Co.. 523
City of N. Y. Ins. Co., Teasdale *vs.*..... 287
City of Oneida, Cary *vs.*..... 18
Citizens Ins. Co. of Missouri, Erickson *vs.*... 118
Citizens' State Bank of Chautauqua et al. *vs.* Shawnee Fire Ins. Co..... 117
Clay & Nowlin, Southwestern Surety Ins. Co. of Oklahoma *vs.*..... 522
Cobb, Washington Fire Ins. Co *vs.*..... 288
Coffman *vs.* Louisville and Nashville R. R. Co. 118
Columbia Ins. Co., Horrigan Contracting Co. *vs.* 116
Commercial Union Ins. Co. *vs.* Dalzell..... 383
Commercial Union Ins. Co., Ltd., of London, England, Pride *vs.*..... 118
Condon *vs.* Exton-Hall Brokerage and Vessel Agency 116
Connecticut Fire Ins. Co., Dorman *vs.*..... 383
Continental Ins. Co. of N. Y., Powell *vs.*..... 525
Continental Ins. Co., Alsop Ins. Co. *vs.*..... 203
Coykendall *vs.* Blackmer..... 382
Curnen *vs.* Law Union and Rock Ins. Co.... 116
Dalzell, Commercial Union Ins. Co., Ltd. *vs.* 383
Dalzell, London and Lancashire Fire Ins. Co. *vs.* 383
Davis Mfg. Co. *vs.* Firemen's Fund Ins. Co.. 382
Davis Mfg. Co. *vs.* Stuyvesant Ins. Co. et al. 203
Delaware Ins. Co. *vs.* Wallace..... 117
Dixie Fire Ins. Co. *vs.* A. Layne & Bro..... 118
Drummond *vs.* White-Swearingen Realty Co.. 525
Dolliver *vs.* Granite State Fire Ins. Co..... 202
Dorman *vs.* Connecticut Fire Ins. Co..... 383
Eberhardt *vs.* Federal Ins. Co..... 286
Erickson *vs.* Ins. Co. of North America..... 118
Erickson *vs.* Citizens' Ins. Co. of Missouri.... 118
Exton-Hall Brokerage and Vessel Agency, Condon *vs.*..... 116
Farmers' Mutual Equity Ins. Society *vs.* Smith 522
Federal Ins. Co., Eberhardt *vs.*..... 286
Fidelity Ins. Co. et al. *vs.* Atlantic Coast Line R. R. Co..... 288
Fidelity-Phenix Ins. Co., Black *vs.*..... 522
Fire Assn. of Phila. *vs.* Strayhorn..... 526
Firemen's Fund Ins. Co. of San Francisco *vs.* Searey 287
Firemen's Fund Ins. Co., Davis Mfg. Co. *vs.*.. 382
Firemen's Fund Ins. Co., City of Aurora *vs.*.. 523
Fishback Ins. Comm'r, State ex rel. Leach *vs.* 526
Frakes et al. *vs.* Mutual Fire Co. of Portland. 204
Franklin Fire Ins. Co. of Philadelphia, O'Neill *vs.* 117
Fritz *vs.* Pennsylvania Fire Ins. Co..... 116
German-American Ins. Co. *vs.* Messenger..... 15
German-American Ins. Co., Willson (Custer Nat'l Bank) *vs.*..... 523
Glens Falls Fire Ins. Co. *vs.* Walker..... 526
Globe and Rutgers Fire Ins. Co. *vs.* Chicago and Alton R. R. Co..... 17
Globe Underwriters of St. Louis, Reynolds *vs.* 288
Granite State Fire Ins. Co., Dolliver *vs.*..... 202
Gresham *vs.* Norwich Union Fire Ins. Society. 287
Hartford Fire Ins. Co. *vs.* Pires..... 526
Henderson *vs.* Abbeville Greenwood Mutual Ins. Assn..... 383
Home Ins. Co. *vs.* Peterman..... 526
Home Ins. Co. of N. Y., Hronish *vs.*..... 384

Digitized by Google

PAGE.

Horrigan Contracting Co. *vs.* Columbia Ins. Co. ... 116
Horticultural Fire Relief of Oregon, Willis et al. *vs.* ... 203
Hronish *vs.* Home Ins. Co. of N. Y. ... 384
Ins. Co. of No. America, Marqusee *vs.* ... 524
Ins. Co. of No. America, Erickson *vs.* ... 118
Johnson *vs.* Stewart et al. ... 524
Kelley *vs.* People's Nat. Fire Ins. Co. ... 287
Kirkpatrick et al., St. Paul Fire and Marine Ins. Co. *vs.* ... 384
Kline Bros. & Co. *vs.* Liverpool and London and Globe Ins. Co., Ltd. ... 524
Lafayette Fire Ins. Co., State ex rel. Fitzpatrick, State Collector, *vs.* ... 202
Law Union and Rock Ins. Co., Curnen *vs.* ... 116
Layne & Bro., Dixie Fire Ins. Co. *vs.* ... 118
Liverpool and London and Globe Ins. Co., Ltd., Klein Bros. & Co. *vs.* ... 524
London and Lancashire Fire Ins. Co. *vs.* Dalzell ... 383
Louisville and Nashville R. R. Co., Coffman vs. ... 118
Malone, Queen of Arkansas Ins. Co. *vs.* ... 286
Marqusee *vs.* Ins. Co. of No. America ... 524
McArdle *vs.* Royal Ins. Co. ... 18
McClure, Shawnee Fire Ins. Co. *vs.* ... 15
McElroy, Wetmore *vs.* ... 204
Mennonite Mutual Fire Ins. Co., Robinson *vs.* ... 382
Mercantile Fire and Marine Ins. Co., Vera et al. *vs.* ... 18
Merrimack Mutual Fire Ins. Co., Vera et al. *vs.* ... 18
Messenger, German-American Ins. Co. *vs.* ... 15
Michigan Fire and Marine, Vera et al. *vs.* ... 18
Milligan Fire and Marine Ins. Co., Vera et al. *vs.* ... 18
Millville Aerie No. 1836, Fraternal Order of Eagles *vs.* Weatherby ... 18
Milwaukee Mechanics' Ins. Co., Amusement Syndicate Co. et al. *vs.* ... 117
Minsker Realty Co., American Fire Ins. Co., of Newark, N. J., *vs.* ... 18
Minsker Realty Co., American Fire Ins. Co. of Newark, N. J., *vs.* ... 118
Mitchell, Niagara Fire Ins. Co. *vs.* ... 384
Monongahela Ins. Co. et al. *vs.* Batson ... 286
Morrison, Northern Ass. Co., Ltd., of London *vs.* ... 204
Mutual Fire Co. of Portland, Frakes et al. *vs.* ... 204
Mutual Fire Ins. Co. *vs.* Turner ... 18
Niagara Fire Ins. Co. *vs.* Mitchell ... 384
National Union Fire Ins. Co. *vs.* Akin ... 15
National Union Fire Ins. Co. of Pittsburg *vs.* Baltimore Asbestos Co. ... 204
Northern Assce. Co., Ltd., of London *vs.* Morrison ... 204
North River Ins. Co. of City of New York, O'Brien *vs.* ... 523
Norwich Union Fire Ins. Society, Gresham *vs.* ... 287
O'Brien *vs.* North River Ins. Co. of City of New York ... 523
O'Neill *vs.* Franklin Fire Ins. Co. of Philadelphia ... 117
O'Neill *vs.* Caledonian Ins. Co. ... 16
O'Neill *vs.* American Ins. Co. ... 16
Oregon-Washington R. and Nav. Co., Palmer et al. *vs.* ... 115
Palatine Ins. Co., Russell *vs.* ... 116
Palmer et al. *vs.* Oregon-Washington R. and Nav. Co. ... 115
Patterson *vs.* American Ins. Co. of Newark, N. J. ... 16
Peck, St. Paul Fire and Marine Ins. Co. *vs.* ... 383
Pennsylvania Fire Ins. Co., Fritz *vs.* ... 116
People's Nat. Fire Ins. Co., Kelley *vs.* ... 287
Peterman, Home Ins. Co. *vs.* ... 526
Phœnix Ins. Co. of Hartford, Bass *vs.* ... 524
Phœnix *vs.* American Cent. Ins. Co. ... 17
Pires, Hartford Fire Ins. Co. *vs.* ... 526
Powell *vs.* Continental Ins. Co. of N. Y. ... 525
Polemanakos *vs.* Austin Fire Ins. Co. ... 117
Pride *vs.* Commercial Union Ins. Co., Ltd., of London, England ... 118
Providence-Washington Ins. Co. *vs.* Youmans. ... 18
Prussian National Ins. Co., Amusement Syndicate Co. et al. *vs.* ... 117
Puett, Camden Fire Ins. Assn. of Camden, N. J. *vs.* ... 384
Queen of Arkansas Ins. Co. *vs.* Malone ... 286
Rawls *vs.* American Central Ins. Co. ... 525
Revelle, Supt. of Insurance, State ex rel. Inter-insurance Auxiliary Company *vs.* ... 523
Reynolds et al. *vs.* Globe Underwriters of St. Louis ... 288
Riddell *vs.* Rochester-German Ins. Co. of N. Y. ... 383
Robinson *vs.* Mennonite Mutual Fire Ins. Co. ... 382
Robinson *vs.* Western Assurance Co. ... 524
Rochester-German Ins. Co. of N. Y., Riddell *vs.* ... 383
Royal Ins. Co., McArdle *vs.* ... 18
Royal Exchange Assurance Co., Bass *vs.* ... 524
Russell *vs.* Palentine Ins. Co. ... 116
St. Paul Fire and Marine Ins. Co. *vs.* Bragg. ... 203
St. Paul Fire nd Marine Ins. Co. et al. *vs.* Kirkpatrick et al. ... 384
St. Paul Fire and Marine Ins. Co. *vs.* Peck. ... 383
Searcy, Fireman's Fund Ins. Co. of San Francisco *vs.* ... 287
Shawnee Fire Ins. Co., Citizens' State Bank of Chautauqua *vs.* ... 117
Shawnee Fire Ins. Co. *vs.* McClure ... 15
Smith, Farmers' Mutual Equity Ins. Society *vs.* ... 522
Southern States Fire Ins. Co. *vs.* Tabor ... 202
Southwestern Surety Ins. Co. of Oklahoma *vs.* Clay & Nowlin ... 522
State ex rel. Fitzpatrick, State Collector, *vs.* Lafayette Fire Ins. Co. ... 202
State ex rel. Inter-insurance Auxiliary Company *vs.* Revelle, Supt. of Insurance ... 523
State ex rel. Leach *vs.* Fishback, Insurance Comm'r ... 526
Stewart et al., Johnson *vs.* ... 524
Strayhorn, Fire Ins. Co. of Phila. *vs.* ... 526
Stuyvesant Ins. Co., Davis Mfg. Co. *vs.* ... 203
Tabor, Southern States Fire Ins. Co. *vs.* ... 202
Teasdale *vs.* City of N. Y. Ins. Co. ... 287
Texas National Fire Ins. Co. *vs.* White, Blakely & Fuller Dry Goods Co. ... 525
The Fair, Ltd., *vs.* American Union Fire Ins. Co. ... 522
Turner, Mutual Fire Ins. Co. *vs.* ... 18
Vera et al. *vs.* Mercantile Fire and M. Ins. Co. ... 18
Vera et al. *vs.* Merrimack Mutual Fire Ins. Co. ... 18
Vera et al. *vs.* Michigan Fire and M. Ins. Co. ... 18
Wallace, Delaware Ins. Co. *vs.* ... 117
Walker, Glens Falls Fire Ins. Co. *vs.* ... 526
White, Blakely & Fuller Dry Goods Co., Texas Nat'l Fire Ins. Co. *vs.* ... 525
Ward *vs.* Queen City Fire Ins. Co. of Sioux Falls ... 288
Washington Fire Ins. Co. *vs.* Cobb ... 288
Weatherby, Millville Aerie No. 1836, Fraternal Order of Eagles *vs.* ... 18
Western Assurance Co., Robinson *vs.* ... 524
Wetmore *vs.* McElroy ... 204
White-Swearingen Realty Co., Drummond *vs.* ... 525
Williamsburgh City Fire Ins. Co., Bass *vs.* ... 524
Willis et al. *vs.* Horticultural Fire Relief of Oregon ... 203
Willson (Custer Nat'l Bank) *vs.* German-American Ins. Co. ... 523
Youmans, Providence-Washington Ins. Co. *vs.* ... 18

LIABILITY INSURANCE.

TABLE OF CASES.

Acres *vs.* Frederick & Nelson, Inc. ... 575
Ainsley *vs.* Roper Lumber Co. ... 438
Albertson, Newcomb *vs.* ... 437
Allegheny Steel Co., Pfeiffer *vs.* ... 438
American Sugar Refining Co., Rodzborski *vs.* ... 338
Antigo Lumber Co., Maahs *vs.* ... 244
Apponaug Co., Dazy *vs.* ... 158
Banister Co. *vs.* Keiger ... 437
Barbour Flax Spinning Co. *vs.* Hagerty ... 436
Barrett, German-American Lumber Co. *vs.* ... 158
Barrett *vs.* Gay's Harbor Commercial Co. ... 159
Batista *vs.* West Jersey & S. R. Co. ... 56
Besnys *vs.* Zohrlaut Leather Co. ... 576
Bize *vs.* Virginia-Carolina Chemical Co. ... 438
Bohnhoff *vs.* Fischer ... 337
Brassil *vs.* Maryland Casualty Co. ... 437
Brown & Co., Kelleher et al. *vs.* ... 338
Burke, Larkin *vs.* ... 573
Casualty Co. of America, Utica Sanitary Milk Co. ... 573
Chippewa Sugar Co., Tallman *vs.* ... 55
Choctaw Coal and Mining Co. *vs.* Moore ... 158
City of Milwaukee *vs.* Miller ... 54
Clay, State Ins. Co. *vs.* Employers' Indemnity Co. of Phila. ... 243
Connor Land and Lumber Co., Drella *vs.* ... 159
Consolidated Arizona Smelting Co. *vs.* Ujack. ... 434
Cudahy Packing Co., Joseph *vs.* ... 436
Dailey *vs.* Stall ... 573
Dazy *vs.* Apponaug Co. ... 158
De Grottola, Schaeffer *vs.* ... 437
Deibeikis *vs.* Link Belt Co. ... 334
Detroit Steel Products Co., Jendrus *vs.* ... 158
Drella *vs.* Connor Land and Lumber Co. ... 159
De Fazio's Estate *vs.* Goldschmidt Detinning Co. ... 56
Delaware, Lackawanna and Western R. R. Co., Rakiec *vs.* ... 56
Dunham *vs.* Phila. Casualty Co. ... 244
Dunn *vs.* Orchard Land and Timber Co. ... 159
Easterling Lumber Co. *vs.* Pierce ... 337
Employers' Indemnity Co. of Phila., Clay State Ins. Co. *vs.* ... 243
Erie R. R. Co., Muzik *vs.* ... 244
Erie R. Co., Zabriskie *vs.* ... 56
Fischer, Bohnhoff *vs.* ... 337
Fitzgerald *vs.* O'Rourke Eng. Const. Co. ... 573
Forged Steel Wheel Co., Killmer *vs.* ... 338
Frederick & Nelson, Inc., Acres *vs.* ... 575
German-American Lumber Co. *vs.* Barrett. ... 158
General Accident, Fire and Life Assur. Corp., Ltd., Rust Lumber Co. *vs.* ... 243
Gillespie, Inland Steel Co. *vs.* ... 335
Goldschmidt Detinning Co., De Fazio's Estate *vs.* ... 56
Grand Rapids, G. H. and M. Ry. Co., Teachout *vs.* ... 435
Gay's Harbor Commercial Co., Barrett *vs.* ... 159
Hagerty, Barbour Flax Spinning Co. *vs.* ... 436
Hartshorn *vs.* J. C. Mardis Co. ... 434
Hensley *vs.* McDowell Furniture Co. ... 55
Hoey *vs.* Superior Laundry Co. ... 56
Independent Coal and Grease Co., McGarvey, etc. *vs.* ... 575
Industrial Commission, International Harvester Company ... 576
International Harvester Company *vs.* Industrial Commission ... 576
Inland Steel Co. *vs.* Gillespie ... 335
Ingersol *vs.* National Sash and Door Factory. ... 158
In re Ætna Life Ins. Co. ... 435
In re American Mutual Liab. Ins. Co. ... 336
In re Bentley ... 337
In re Burnham Bros. ... 337
In re Contractors' Mutual Liab. Ins. Co. ... 336
In re Cripp ... 435
In re Diaz ... 336
In re Donovan ... 336
In re Employers' Liab. Assce. Co. ... 337
In re Employers' Liab. Ins. Corp., Ltd. ... 337
In re Gaynor ... 336
In re Herrick ... 337
In re Hurle ... 336
In re Jones ... 435
In re Keaney ... 337
In re Ley & Co., Inc. ... 336
In re Mass. Employers' Ins. Assn. ... 337
In re McGreeney ... 336
In re Millett, Woodbury Co. ... 337
In re Plymouth Cordage Co. ... 336
In re Royal Indemnity Co. ... 336
In re Tappan et al. ... 337
Jendrus *vs.* Detroit Steel Products Co. ... 158
Johnson *vs.* London Guarantee and Accident Co., Ld. ... 435
Jones & Laughlin Steel Co., Reese *vs.* ... 438
Joseph *vs.* Cudahy Packing Co. ... 436
Keiger, Banister Co. *vs.* ... 437
Kelliher et al. *vs.* Brown & Co. ... 338
Killmer *vs.* Forged Steel Wheel Co. ... 338
Kleeman & Co. *vs.* New Amsterdam Casualty Co. ... 436
Krueck *vs.* Phœnix Chair Co. ... 576
Larkin *vs.* Burke ... 573
Link Belt Co., Deibeikis *vs.* ... 334
Liondale Bleach, Dye and Paint Works *vs.* Riker ... 437
London Guarantee and Accident Co., Ltd., Johnson *vs.* ... 435
McInness *vs.* Republic Coal Co. et al. ... 573
McClaugherty *vs.* Rogue River Electric Co. ... 574
McGarvey, etc., *vs.* Independent Coal and Grease Co. ... 575
McWeeny *vs.* Standard Boiler and Plate Co. ... 338
McDowell Furniture Co., Hensley *vs.* ... 55
Maahs *vs.* Antigo Lumber Co. ... 244
Mardis & Co., Hartshorn *vs.* ... 434
Martin & White Co., Sikorsky *vs.* ... 574
Maryland Casualty Co., Brassil *vs.* ... 437
Meniz *vs.* Quissett Mill ... 336
Miller, City of Milwaukee *vs.* ... 54
Milliken *vs.* Towle & Co.—Travelers Ins. Co. ... 244
Mills, Peet *vs.* ... 159
Mills, Peet *vs.* ... 53
Mitchell *vs.* Morrison Co. ... 336
Moore, Choctaw Coal and Mining Co. *vs.* ... 158
Morrison Co., Mitchell *vs.* ... 336
Mount Clemens Sugar Co., Smith *vs.* ... 436
Muzik *vs.* Erie R. R. Co. ... 244
National Sash and Door Factory, Ingersol *vs.* ... 158
New Amsterdam Casualty Co., Kleeman *vs.* ... 436
Newcomb *vs.* Albertson ... 437
New York, S. & W. R. R. Co., Carro *vs.* ... 56
O'Connell *vs.* Simms Magneto Co. ... 437
Olcott, Sec'y of State, Salem Hospital *vs.* ... 55
Orchard Land and Timber Co., Dunn *vs.* ... 159
O'Rourke Eng. Const. Co., Fitzgerald *vs.* ... 573
Pacific Face Brick Co., Schaller *vs.* ... 574
Pano *vs.* N. Y. S. & W. R. R. Co. ... 56
Payne Bros., Inc., Scott *vs.* ... 437
Peet *vs.* Mills ... 159
Peet *vs.* Mills ... 55
Perlin *vs.* Waters-Pierce Oil Co. ... 573
Peters *vs.* Vesta Coal Co. ... 438
Pfeiffer *vs.* Allegheny Steel Co. ... 438
Phila. & R. R. Co., Reardon *vs.* ... 56
Phila. Casualty Co., Dunham *vs.* ... 244
Phœnix Chair Co., Krueck Co. *vs.* ... 576
Pierce, Easterling Lumber Co. *vs.* ... 337
Proctor Pub. Co., Reimers *vs.* ... 437
Quissett Mills, Meniz *vs.* ... 336
Radix *vs.* Thomas Jackson & Co., Ltd. ... 436
Rakiec *vs.* Delaware, L. & W. R. R. Co. ... 56
Raynor *vs.* Sligh Furniture Co. ... 572
Reardon *vs.* Phila. & R. R. Co. ... 56
Reese *vs.* Jones & Laughlin Steel Co. ... 438
Reiners *vs.* Proctor Pub. Co. ... 437
Republic Coal Co., McInness *vs.* ... 573
Riker, Liondale Bleach, Dye and Paint Works. ... 437
Rosholt *vs.* Worden-Aelen Co. ... 159
Rodzborski *vs.* American Sugar Refining Co. ... 338
Rogue River Electric Co., McClaugherty *vs.* ... 574
Roper Lumber Co., Ainsley *vs.* ... 438
Rust Lumber Co. *vs.* General Accident, Fire and Life Assur. Corp., Ltd. ... 243
Sadowski *vs.* Thomas Furnace Co. ... 575
Sagman Plate Glass Co., Schwager *vs.* ... 436
Salem Hospital *vs.* Olcott, Sec'y of State ... 55
Schaeffer *vs.* De Grottola ... 437
Schaller *vs.* Pacific Face Brick Co. ... 574
Schwager *vs.* Saginaw Plate Glass Co. ... 436
Scott *vs.* Payne Bros., Inc. ... 437
Sikorsky *vs.* Martin & White Co. ... 574
Simms Magneto Co., O'Connell *vs.* ... 437
Sligh Furniture Co., Raynor *vs.* ... 572
Smith *vs.* Stoner ... 338
Smith *vs.* Mount Clemens Sugar Co. ... 436
Standard Boiler and Plate Co., McWeeny *vs.* ... 338

Digitized by Google

PAGE.

Stilwell, Vandalia Railroad Co. *vs*..... 336
Stoll, Dailey *vs*..... 573
Stoner, Smith *vs*..... 338
Superior Laundry Co., Hoey *vs*..... 56
Tallman *vs*. Chippewa Sugar Co..... 55
Teachout *vs*. Grand Rapids, G. H. & M. Ry. Co..... 435
Terre Haute I. & E. Traction Co. *vs*. Young. 434
The Fred E. Lauder..... 575
Thomas Furnace Co., Sadowski *vs*..... 575
Thomas Jackson & Co., Ltd., Radix *vs*..... 436
Towle, Travelers' Ins. Co., Milliken *vs*..... 244
Utica Sanitary Milk Co. *vs*. Casualty Co. of America..... 573
Ujack, Consolidated Arizona Smelting Co. *vs*. 434
Vandalia Railroad Co. *vs*. Stilwell..... 336
Vesta Coal Co., Peters *vs*..... 438
Virginia-Carolina Chemical Co., Bize *vs*..... 438
Waters-Pierce Oil Co., Perlin *vs*..... 572
West Jersey & S. R. Co., Batista *vs*..... 56
Worden-Allen Co., Rosholt *vs*..... 159
Young, Terra Haute, I. & E. Traction Co. *vs*. 434
Zabriskie *vs*. Erie R. Co..... 56
Zohrlaut Leather Co., Besneys *vs*..... 576

TABLE OF SUBJECTS.

FIRE.

Abatement..... 381
Action Against Surety..... 522
Actually Open for Business..... 17
Action Against Railroad.....16, 118, 288
Action on Policy...15, 16, 17, 118, 202, 287, 288, 383, 525
Action for Commissions..... 118
Action for Premiums..... 382
Additional Insurance.....202, 287, 383, 525
Adjustment of Loss.....287, 382, 524
Agency, Presumption of..... 116
Agency for Insured..... 16
Agency for Mortgagee..... 117
Agent, Authority of..16, 17, 18, 116, 286, 382, 523
Agent, Dual Relation of.....117, 202
Agent, Knowledge of.....18, 117, 204, 524
Agent, Liability of.....116, 525
Agent, Malicious Prosecution by..... 116
Appeal and Error...203, 287, 288, 383, 384, 524, 526
Application, Acceptance of..... 382
Appraisal and Award..203, 286, 382, 383, 384, 524
Argument on Trial..... 17
Assessment, Notice of.....17, 204
Assessment, Advance..... 203
Assignment to Mortgagee..... 116
Assignment of Claim..... 18
Assignment of Policy..... 383
Attorney, Authority of..... 381
Attorney's Fees.....16, 202, 383
Avoidance of Policy.....287, 383, 525
Bailor and Bailee..... 524
Burden of Proof.....118, 383, 384
Cancellation of Policy..15, 18, 116, 117, 204, 383, 384, 524, 525, 526
Cancellation, Notice of.....116, 117, 204
Chattel Mortgage Clause.....286, 524
Co-insurance.....202, 287, 383
Condition and Covenant..... 382
Constitutional Law.....202, 523, 526
Construction of Policy..15, 117, 286, 382, 383, 522, 523, 526
Construction of Stipulation..... 18
Contract, Construction of.....15, 117, 286
Contract, Essentials of 15, 382
Contract, Acceptance of..... 15
Contract, Sale of Property.....18, 286
Consolidation of Actions..... 116
Corporation, Authority of Officers..... 524
Criminal Act as Consideration for Contract.. 118
Delivery of Policy.....17, 18
Description of Property..... 116
Election to Cancel..... 203
Equitable Rights of Parties.....18, 115
Estoppel 383, 522
Evidence—
  Admissibility of.....288, 381, 382, 524
  Custom.....287, 524, 526
  Hearsay 384
  Telephone Conversation.....117, 204
  Parol Testimony.....18, 524
Examination of Insured..... 381
Express Trust..... 115
False Swearing.....203, 288
Fixtures on Property..... 524
Foreclosure Proceedings..... 287
Foreign Insurance Company.....18, 115, 525, 526
Gasoline on Premises..... 16
Illegal Contracts..... 118
Impeachment of Award..... 286
Increase of Risk..... 16
Instructions to Jury...16, 17, 118, 204, 286, 525, 526
Insurable Interest..... 524
Iron Safe Clause.....17, 286
Inventory 17
Jurisdiction.....287, 383, 384
Limitation of Loss..... 16
Limitation of Actions.....118, 383
Loss of Rents.....117, 525
Mortgagee Clause.....18, 117, 383, 525
Mortgagor and Mortgagee.....116, 287, 382
Mutual Insurance Company.....15, 17, 204, 522
Mutual Mistake..... 16

PAGE.

Non-waiver Agreement..... 286
Occupation of Building..... 288
Ownership of Premises.....17, 18, 286
Parol Contract.....17, 287, 523
Parties to Action.....115, 117
Partnership of Insured..... 203
Perjury, Presumption as to..... 203
Pleading and Practice..18, 118, 203, 381, 523, 524, 526
Pleadings, Sufficiency of.....203, 526
Premium, Recovery of..... 18
Premium, Return of 525
Premium, Tender of 117, 524
Premium, Payment of..... 523
Profits Due..... 522
Proof of Loss.....116, 203, 286, 287, 523, 524
Property Covered by Policy.....15, 117, 525
Question for Jury.....15, 16, 117, 203, 204
Ratification by Insured..... 204
Reformation of Policy.....16, 525
Regulation of Insurance..... 523
Removal of Causes..... 115
Removal of Property.....117, 522, 524, 525
Renewal of Policy.....287, 523
Res Gestæ..... 204
Rider, Effect of.....16, 202
Service of Process.....18, 115, 118
Set of Books..... 17
Short Rate Recovery..... 118
Sprinkler Warranty Clause..... 203
Statute of Limitations.....116, 118
Statutes—
  Alabama, License for Agent..... 118
  Alabama, Foreign Insurance Co..... 118
  Arkansas, Iron Safe Clause..... 286
  Arkansas, Action on Policy..... 522
  California, Written Portion..... 16
  California, Negligence of Insured..... 16
  Delaware, Service of Process..... 115
  Florida, Limitations of Actions..... 118
  Louisiana, State Fire Marshal..... 202
  Maine, Vacancy of Premises..... 202
  Massachusetts, Arbitration..... 18
  Missouri, Attorney's Fees..... 16
  Missouri, Offer of Judgment..... 17
  Missouri, Amount of Insurance..... 202
  Missouri, Indemnity Contracts..... 583
  New York, Tax on Foreign Companies.. 18
  Oklahoma, Jurisdiction..... 383
  Oregon, False Swearing..... 203
  Oregon, Bill of Exceptions..... 203
  Oregon, Presumptions..... 288
  Rhode Island, Standard Fire Policy..... 383
  South Carolina, Mutual Insurance Co.... 204
  South Carolina, Pleadings..... 524
  South Dakota, Standard Fire Policy..... 383
  Tennessee, Refusal to Pay..... 384
  Texas, Total Loss..... 204
  Texas, Proof of Loss..... 384
  Texas, Liability of Agent..... 525
  Texas, Award of Costs..... 526
  Washington, Foreign Insurance Company. 526
  Washington, Parties to Action..... 115
Subrogation.....16, 18, 117, 118, 288, 525
Submission of Controversy..... 18
Sufficiency of Evidence.....204, 287, 526
Suspension of Insurance..... 16
Taxation, Equality of..... 202
Tax on Foreign Companies..... 18
Tender by Insurer..... 117
Tourist Fire Policy..... 18
Underwriters' Insurance Policy..... 287
Unearned Premium.....117, 203, 384
Vacancy of Premises.....15, 202, 203, 382, 522
Value of Property.....16, 287
Valued Policy..... 522
Vendor and Vendee..... 18
Vexatious Delay..... 16
Waiver—
  Non-payment of Premium..... 523
  False Swearing..... 288
  Encumbrance on Premises..... 18
  Unearned Premium..... 384
  Defenses in Abatement..... 381
  Vacancy of Premises.....16, 202, 203
  By Mortgagee..... 526
  Arbitration 18
  Sole Ownership..... 286
  Notice of Assessment..... 17
  Proof of Loss.....116, 286, 287
  Removal of Property.....117, 525
  By Agent.....524, 525
Warehouseman, Insurance by..... 524
Water and Smoke, Damage by..... 524
Written and Printed Portions of Policy..... 16

EMPLOYERS' LIABILITY—WORKMEN'S COMPENSATION.

Accident, No Liability..... 159
Accident, Cause Unknown.....56, 244
Acceptance of Statute, Presumption..... 56
Action on Policy.....243, 244, 436, 437, 573
Actions Abolished.....55, 56, 159, 575
Action on Release..... 56
Actual Dependents.....55, 56, 158, 244, 337
Adjuster, Authority of..... 243
Agent, Dual Relation of..... 573
Amount of Award..55, 56, 158, 244, 436, 437, 576
Appeal and Error.....244, 435
Assignment of Cause of Action..... 576
Assumption of Risk..159, 335, 336, 338, 433, 434, 438, 573, 574, 576

PAGE.

Burden of Proof.....437, 574, 576
Casual Employment.....336, 436, 437
Casualty Company Not Proper Defendant.... 55
Classification, Validity of.....334, 335
Constitutional Law.....159, 334
Construction of Policy.....243, 244, 438
Contributory Negligence..157, 158, 335, 338, 433, 434, 436, 438, 574, 576
Defect in Ways, Works and Machinery..158, 335
Defenses Abolished.....159, 573
Deserted Widow, Award to..... 55
Disobedience of Orders..... 437
Duty of Employer.....438, 573, 574
Election of Remedies..... 433
Employee, No Relation with Insurer..... 244
Employee's Liability Insurance..55, 243, 244, 338, 436, 437, 573
Equal Protection of Laws.....334, 335, 337
Evidence—
  Cross-examination of Witnesses..... 574
  Declarations 338
  Expert Testimony..... 576
  Hypothetical Question..... 433
  Offer of Settlement..... 244
  Opinion 158
Expenditures by Insured, Liability for..... 437
Ex post facto Laws..... 337
Fellow Servant.....337, 573
Findings of Fact.....158, 336, 436, 572, 576
Foreign Insurance Company..... 243
Foreman as Vice Principal..... 438
General Contractor and Sub Contractor, Liability of..... 337
Hospital Services, Allowances for..... 55
Impairment of Earning Capacity..... 576
Independent Contractor.....573, 575
Injury—
  Acid 437
  Ankle 56
  Arm 436
  Automobile 437
  Balky Horse—Turpentine..... 573
  Bicycle 436
  Boiling Glue..... 436
  Collision Between Workmen..... 572
  Crane Operator..... 335
  Electricity.....433, 435, 574
  Elevator 336, 574
  Falling Ore 575
  Farm Laborer..... 337
  Finger 437
  Great Toe..... 54
  Iron Worker.....338, 438, 436
  Ladder 158, 435
  Lead Poisoning..... 435
  Loss of Vision..... 336
  Lumberman 159, 244
  Miner.....158, 338, 438, 573, 575
  Minor.....56, 159, 157, 158, 437
  Piece of Steel..... 576
  Press Brick Machine..... 574
  Railroad Employee.....55, 56, 244, 337
  Revolving Knives.....436, 576
  Riveter 438
  Road Roller..... 55
  Roof 159
  Run Way..... 433
  Scaffold 337
  Slipping on Pulp..... 55
  Spring Scroll..... 158
  Stave Edger..... 157
  Stevedore 575
  Teamster 243, 336
  Thumb 437
  Trestle 159
  Tunnel 573
  Uncovered Hole..... 338
  Unguarded Belt..... 158
  Waiter 336
Instructions to Jury..157, 335, 338, 433, 436, 574, 576
Jurisdiction of Courts..... 56
Knowledge of Dangers.....335, 435
Liability Insurance, Reference to.....335, 338
Medical Services, Allowance for.....54, 244
Minor, Injury to.....56, 158, 159, 437
Notice of Accident.....336, 337, 338
Occupation Covered by Policy..... 243
"Out of and in the course of the employment," 56, 243, 244, 435, 436, 437, 572
Partial Invalidity of Statute..... 335
Pleading and Practice.....158, 244, 335, 574
Promise to Repair..... 335
Proximate Cause.....435, 572
Question for Court..... 56
Question for Jury.....338, 433, 574, 575, 576
Remedial Statutes, Construction of..... 55
Res Gestæ..... 338
Rights Against Third Persons..... 576
Safe Place to Work.....55, 338, 433, 438, 575
Scope of Employment..... 158
State Accident Fund, Payments to.....159, 575
Statutes—
  Arizona, Workmen's Compensation Act... 433
  Illinois, Workmen's Compensation Act... 334
  Illinois, Child Labor Law..... 159
  Indiana, Employer's Liability Act..... 335
  Kentucky, Foreign Insurance Company... 243
  Massachusetts, Employer's Liability Act.. 336
  Massachusetts, Workmen's Compensation Act 243, 336, 337, 435

Digitized by Google

Statutes—Continued. PAGE.

Michigan, Workmen's Compensation Act, 158, 572
Michigan, Guarding Machinery.....435, 436
Mississippi, Abolishing Defenses..... 337
Missouri, Child Labor Law..... 436
Montana, Coal Mining Code..... 573
Nebraska, Employers' Liability Act..... 436
New Jersey, Employers' Liability Act.... 56
New Jersey, Workmen's Compensation Act.....55, 244, 436, 437
New York, Employers' Liability Act..337, 573
New York, Notice of Accident..... 573
North Carolina, Pleadings..... 55

Statutes—Continued. PAGE.

Ohio, Workmen's Compensation Act..... 338
Oregon, Employers' Liability Act.....159, 574
Oregon, Workmen's Compensation Act... 54
Rhode Island, Workmen's Compensation Act 158
Pennsylvania, Mine Act.....338, 438
Pennsylvania, Factory Act..... 338
Pennsylvania, Orders of Master..... 438
Washington, Workmen's Compensation Act.....55, 159, 575
Washington, Industrial Insurance Law... 574
Wisconsin, Workmen's Compensation Act, 54, 55, 159, 575, 576

Statutes—Continued. PAGE.

Wisconsin, Special Verdicts..... 575
Wisconsin, Guarding Machinery..... 575
Sufficiency of Evidence.....438, 573, 576
Surviving Father, Award to..... 56
Time of Accident.....435, 437
Time Statute Takes Effect.....54, 433
Titles and Subjects.....55, 159
Unguarded Machinery.....157, 576
Verdict Not Excessive.....337, 338, 435, 575
Violation of Statute, by Employer...159, 338, 573
Waiver, by Adjuster..... 244
Workmen Entitled to Benefits..... 55

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, JANUARY 3, 1914. No. 1.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

THE retirement of Fire Commissioner Johnson, of New York City, occurred this week, and Robert Adamson succeeded him by appointment by the new mayor. Mr. Johnson signalized his departure from office by a boastful letter to Mayor Kline describing his achievements as commissioner, but he did not include among them his malignant attack on the fire insurance business and his arraignment of the companies in a bill in the Legislature indorsed by an ignorant and foolish Governor, which did not get beyond the committees to which it was referred. That performance which the ex-commissioner undoubtedly expected would elevate him to the pinnacle of notoriety and popularity fell flat and is almost forgotten. Mr. Adamson, the new commissioner, was the late Mayor Gaynor's secretary, and after his death the manager of the fusion municipal campaign. He has a reputation for unusual ability, and appears to be quite competent to manage the complex affairs of the fire department. He will be expected therefore to avoid the vagaries of his predecessor.

THE customary record of the principal insurance events of the year preceding the first issue of our paper in the new year appears in our columns this week. Close observers will notice that the volume of transactions in the insurance world fell off in 1913 as compared with the years immediately preceding and that there were fewer new company organizations, and fewer official changes in companies. There were about the same number of retirements of companies by merger, reinsurance and failure as in late years. The official mortality list is always interesting, although in the last year there were not so many conspicuous deaths as usual. But there were several of prominence in fire insurance as will be recognized when we mention Presidents James D. Browne, of the Connecticut Fire; DeWitt C. Skilton, of the Phœnix of Hartford; Edward A. Walton, of the old and now defunct Citizen's Fire of New York; Alfred E. Duncan, of the Franklin Fire of Philadelphia; Louis S. Amonson, of the People's National of Philadelphia; Charles A. Hull, of the Empire City Fire, and Vice President Colyer, of the Firemen's of Newark. In life insurance the more conspicuous deaths were those of Amzi Dodd, ex-president of the Mutual Benefit Life, and Lucius McAdam, the actuary. Among insurance journalists only the deaths of Senator Hughes, of the *Insurance Register,* and Louis Henry Martin, of *Rough Notes,* occurred. One State insurance commissioner, John M. Oathout, of Arkansas, died, and there were four deaths of ex-commissioners and superintendents who were prominent in their time: Those of William Barnes, Sr., the organizer of the New York department; George B. Luper, of Pennsylvania; Stephen W. Carr, of Maine, and William L. Clayton, of Colorado, the latter by suicide. The list is well worth scanning for other familiar names in insurance.

THE disposition in so many State official directions to force some plan of classification of risks and losses upon the fire insurance companies has moved one of our most prominent and clear-sighted underwriters, Manager Richards, of the North British and Mercantile, to propose to the National Board of Fire Underwriters, of which he is an officer, the appointment of a special committee to consider the subject in all its conditions and report upon it to the board. It is evident that something must be done, and if it is impossible to meet the demands of State supervision an opportunity should be given to make that plain beyond dispute. Mr. Richards says in his communication that while he is not proposing to impose the functions of rate making on the National Board he believes that it is the duty of the organization to undertake the preparation and adoption of some national standard of rate making. "Such work should either go hand in hand with uniform and combined classification of underwriting experience, an essential part of which would be the collaboration of losses, including all necessary information concerning the same, which the States now require to be furnished by the individual companies." The executive committee of the National Board has promptly acted on Mr. Richards' proposition and appointed the special committee. And now we ought to have some sky clearing.

WHAT promises to be one of the most important measures to preserve the public health and prolong the lives of human beings in the United States, is made the subject of a statement by Prof. Irving Fisher, of Yale University, to which space has been given on another page. In plainest terms it is the periodical examination of individuals by medical experts at established stations as to their physical condition. It is obvious that if the seeds of a disease that can prove fatal if unsuspected are detected in the incipient stage the progress of the disease can be prevented. This is what Professor Irving tersely calls "inspection and repairs." The scheme is of special interest to life insurance companies, because it is proposed to apply it to their policyholders by regular contract. A policyholder may be examined semi-annually or more often as to his condition of health, and if impairment of any kind can be found the obstructive process can be begun. The effect must be to lengthen life in the great majority of cases, to the vast

Digitized by Google

Feb 26/1915

advantage of the insuring company and its policyholders as a whole. One of our greatest companies, the Metropolitan Life, has had the discernment to make use of the new service at once. That it is a measure founded on a solid basis is proved not only by this fact, but also by the participation in the directorate of ex-President Taft, Colonel Gorgas, of the Panama Canal work; President De Forest, of the Metropolitan Museum of Art in New York, and Professor Fisher. Another circumstance attesting its importance is the acceptance of the management of the "Life Extension Institute," as president, by E. E. Rittenhouse, formerly insurance superintendent of Colorado, then president of the Provident Savings Life, and at present conservation commissioner of the Equitable Life. He has made a special study of hygienic law in both the last two capacities and probably is the person best fitted in the country to undertake the direction of the scientific prolongation of human life by systematic means. Of course the Institute must be supported by the fees of its beneficiaries, but these will be taken care of by the companies for their policyholders and will be small to the outside individual. The plan assures so much of good to humanity that we need hardly commend the exposition of its features, which we print, to all our readers.

Fire Insurance.

The **American Central of St. Louis** has voted to reduce its capital from $2,000,000 to $1,000,000, putting the balance in the surplus account. Recent depreciation in security values has led the company to take this step. A circular by President Campbell points to the honorable record of the company during the sixty years of its life, especially at the time of the San Francisco fire when the directors voted to increase the capital from $1,000,000 to $2,000,000 taking the extra stock at $200 so as to provide an extra $1,000,000 of surplus. As President Campbell says: "If there is any more forceful way of presenting to our agents and patrons the permanency of this company as a factor in the business and the purpose of its directors and shareholders to meet every situation that may confront the company we fail to see it." It is expected that a large portion of the surplus written off on account of depreciation of securities will be regained later, but the closing paragraph of the letter shows the intention of the company as follows:

We take this occasion to say to our agents that the rumors which have been persistently circulated are absolutely without foundation. There has been no thought of retirement of the company from business, nor is there any intention to curtail the operations of the company in any respect. The company has grown to be one of the most useful in the agency field; its connections are such that it furnishes excellent facilities to its agents; comparing favorably as to usefulness to the agents and the public with the largest companies transacting fire underwriting. There will be no curtailment of the facilities extended our agents. We will continue to accord every consideration to the interests of the agents in the future just as we have in the past, and if any one attempts to divert our business or alienate our agents by the misrepresentations which have been indulged, you are authorized by this letter to deny all such rumors and to assert for the management that the company will be independent and its agents and business will be properly and suitably cared for.

The **Insurance Society of New York** announces the follow-in additions to its library during December:

American Office Management; J. Wm. Schultze, 1913.
Workmen's Compensation, Probable Cost; Edward Bushnell Phelps, 1913.
Common Law Liability for Accidental Injury; Herbert Rowntree, 1913.
Social Insurance; I. M. Rubinow, 1913.
Marine Insurance Act of 1906; Chalmers-Owens, 1913.
Marine Insurance Act of 1906; De Hart & Simey, 1907.
American Railroad Economics; A. M. Sakolski, 1913.
Creative Salesmanship; E. St. Elmo Lewis, 1911.
Modern Gasoline Automobile; Victor N. Page, 1913.
Law of Fire Insurance; Charles J. Bunyon, 1867, first edition.
Boiler Insurance; Travelers insurance company, 1913.
Insurance Institute of America; Annual Convention, 1913.
New York State Labor Laws, 1913.
New York State, Industrial Directory, 1912 (first edition).
Great Britain; Statistics of compensation and proceedings under workmen's compensation act, 1906, and employers' liability act, 1880, during year 1912.
Philadelphia Fire Underwriters' Association; thirtieth annual report, 1913.
Insurance Institute, Cape of Good Hope; fifteenth annual report, 1913.
Insurance Institute, New South Wales; Proceedings 1910 and 1911.
National Board of Fire Underwriters; annual proceedings 1904.
American Association Accident Underwriters; first annual convention, 1913.
New York City Department of Water Supply, Gas and Electricity; Annual Report 1913.
New York City Commissioners of Taxes and Assessments Report, 1913.

The Western department of the **Ætna Fire** has made several promotions among its employees, recognizing long and faithful service and strengthening the organization. On January 1 John E. Davies, for the last year superintendent of the loss department, becomes agency superintendent. Until a year ago Mr. Davies was for twenty years State agent in Wisconsin. John E. Gallagher is appointed chief clerk and superintendent of the automobile department. Mr. Gallagher has been with the Ætna for sixteen years, filling almost every desk in the department. W. E. Vandeventer is appointed superintendent of the farm department. Mr. Vandeventer has been for many years Illinois State agent of the Ætna, and will continue to give general supervision to the Illinois field, although spending more time in the office. C. Louis Kohtz, who has been in the local office for eight years, latterly in charge of the automobile department, has been made chief clerk of the local office.

The **new commission agreement in Chicago** has been formally adopted. This puts into effect the reduction of expenses which has been sought for a score of years. After January 1 the companies will pay their Class 1 agents commissions of 20, 25 and 30 per cent. on the various classifications, while heretofore there has been no limit, except prudence, on what a company could pay if it desired. The changes made were to reduce the brokerages to conform to this, and to secure to the local agents some other compensating advantages. This change will also assure similar reductions in commissions and brokerages in the other excepted cities of the West, including Milwaukee, St. Louis and Louisville, action there being regarded as contingent upon success in Chicago. It is generally conceded that when the expected economies are worked out the public will be given a share of the benefits through a reduction in rates on certain classes of dwellings.

The final section of the well-known **Underwriters' Hand Book of the Pacific States** for 1913 has been issued by the *Underwriters' Report* at San Francisco. Volume "A," as the book is designated, is a complete insurance directory for the States of California, Arizona and Nevada, and besides contains much valuable data concerning the operations of all insurnce companies in the territory covered for the past five years, as well as a conveniently arranged list of the various licensed agents. Other data includes railroad connections and distances between cities and towns, county seats, as well as population and fire and water protection in cities. The book is handsomely bound in flexible leather, pocket size, comprises nearly 430 pages, and is sold only by the publisher, *Underwriters' Report*, San Francisco. Price, $7.50 per volume.

Digitized by Google

Blanks for setting forth necessary **information regarding fire loss** to comply with the law requiring reports to the New York State Fire Marshal have been prepared by the New York Board of Fire Underwriters, and have been submitted for criticism to the members of the board and to the Insurance Department. They contain the following tentative classifications: Wholly satisfactory claims, ordinary claims, claims criticised with reference to the amount claimed by assured or on account of the assured's attitude with reference to the adjustment, claims which are under question as to origin of fire, information of general interest, fire originating in assured's premises, fire originating in premises of other tenants in same building, fire originating in another building or premises—loss by exposure.

The following committees of the **National Association of Insurance Agents** have been announced:

EXECUTIVE COMMITTEE—E. C. Roth, chairman, Buffalo; Louis L. Rauh, Cincinnati; Ed. M. Semane, Oklahoma City; S. Y. Way, Orlando, Fla.; Clarence S. Pellot, Chicago; E. F. Woods, Boston; Fred J. Cox, Perth Amboy, N. J.; Thos. Baker, Jr., Fargo, N. Dak.; Rutherford Lipscomb, Atlanta.

GRIEVANCE COMMITTEE—J. K. Livingston, Detroit, chairman; E. I. Ingraham, Worcester, Mass.; John A. Murphy, Buffalo; H. F. Arnold, Galesburg, Ill.; John D. Carswell, Savannah, Ga.

COMMITTEE ON LEGISLATION—Geo. D. Markham, St. Louis, chairman; D. A. Fisher, Memphis; F. W. Cole, Atlanta; Dale D. Butler, Middletown, Conn.; B. F. Kauffman, Des Moines; W. H. Wren, Lewiston, Pa.; F. E. Lauterbach, Columbus, O.; C. W. Sexton, Minneapolis; E. E. Howell, Omaha.

The British authorities are somewhat exercised over the indiscriminate sale of cheap toy moving picture outfits to children on account of the **serious hazard to life and property.** A paragraph of the report of the London Departmental Committee says:

The committee say that it has come to their notice that in certain cases films are festooned in shop windows. This practice, which is repudiated by the regular trade, is inexcusable, and should be absolutely prohibited. Attention is also called to the fact that toy machines as well as strips of disused films are being sold to children. The machine is sold at a very low price and contains no safeguard for preventing the film, the whole length of which is exposed, from catching fire. They are of opinion that the sale of cinematograph films to children should be prohibited.

The **Boston chapter of the National Fire Protection Association** has been organized with the following officers: President, Chas. H. Cole, Fire Commissioner of Boston; vice president, G. A. A. Pevey, attorney-at-law; secretary-treasurer, R. O. Dawson, superintendent fire records, National Fire Protection Association; executive committee, three above officers ex-officio, C. M. Goddard, secretary New England Insurance Exchange; Richard L. Gay, secretary State Board of Trade; W. O. Teague, Associated Factory Mutual Fire Insurance Companies; C. W. Killam, architect.

The following eight **interinsurance companies** have been licensed by Insurance Commissioner Preus to transact business in Minnesota: Lumber Manufacturers' Interinsurance Association, New York; Manufacturing Lumbermen's Underwriters, Kansas City; Manufacturing Woodworkers' Underwriters, Kansas City; Warner Interinsurance Bureau, Chicago; Independent Underwriters, New York; New York Reciprocal Underwriters, Reciprocal Exchange, Kansas City; Lumbermen's Underwriters' Alliance, Kansas City.

The organization of the new **Williamsburgh City Fire,** following the incoming of the Nassau and Dutchess, has been completed and the following officers have been elected: President, George R. Branson; vice presidents, Lewis H. Vail, William A. Jones, Ernest L. Allen, David J. Burtis, Frank H. Douglass; secretary, David J. Burtis; chairman of the board of directors, William Harkness. The new company has a capital of $1,000,000, with a surplus of about the same amount, and assets of about $5,000,000.

The first meeting of the **Barebones Alumni Association** for the new year will be held at the Old Dutch Tavern Tuesday next at 6:15 o'clock. After dinner James W. Redmond, of the Brooklyn office of the Ætna Life, will speak on fidelity and surety adjustments. The Saturday afternoon inspections are to be renewed, beginning with the Saturday after the February meeting, when it is expected that a sugar plant will be visited.

The organization of the **Missouri National Fire** of Joplin, which was being promoted by Charles E. Dexter, has been given up. The money subscribed and paid in, amounting to about $30,000, was deposited in the Joplin Trust Company, which failed, and so the funds are tied up for some time. The promotion was undertaken while the regular fire insurance companies had suspended business in the State last summer.

The **Pennsylvania Legislative Commission** for the investigation of pools and combinations among fire insurance companies and agents has been organized at Harrisburg, with the selection of H. J. Baldwin, of Delaware County, as chairman, and R. S. Frey, of York, as secretary and treasurer. Meetings of the commission will begin early in January, and various parts of the State will be visited.

Notwithstanding its well known views against overinsurance, the name of the **Home of New York** has been included in some of the printed lists of companies on the McQuirk loss at Minneapolis in which Commissioner Preus is said to be basing action for violation of the Minnesota laws. The Home has denied any connection with the insurance of this risk.

Incident to its consolidation with the Insurance Company of the State of Pennsylvania, the American Fire has **paid off all its voluntary scrip** issued in 1908 on account of the San Francisco disaster, leaving still a surplus of more than $130,000 to be carried to the new organization in addition to the capital of $200,000.

The Dwight Survey Bureau, which has made a specialty of supplementary inspections for fire insurance companies for years, is now adding a department for the **checking of schedules.** James D. Waite has resigned from the New York Underwriters' Agency, and went with the new department on January 1.

The stockholders of the **Orient of Hartford** voted unanimously on Tuesday to increase the capital from $500,000 to $1,000,000, the same to be done by means of a stock dividend from the surplus, which was approximately $1,400,000. Hartford has now six companies with capital stock of $1,000,000 or more.

The Vulcan Fire of New York has **reinsured** its fire, lightning and tornado business with the Western of Toronto, and its automobile and sprinkler leakage business with the Home of New York. Sumner Ballard was the intermediary. This was the thirty-ninth reinsurance during 1913.

Digitized by Google

Holidays in 1914 will come as follows: Monday, Labor Day, Columbus Day; Tuesday, Election Day; Wednesday, none; Thursday, Lincoln's Birthday, Thanksgiving Day; Friday, Christmas Day; Saturday, Washington's Birthday, Memorial Day, Independence Day; Sunday, none.

Our enterprising contemporary, the **Insurance Field,** becomes a tri-weekly with the beginning of the year, issuing its casualty and surety editions on Wednesdays, its fire and marine edition on Thursdays and its life edition on Fridays. All of which indicates growing prosperity.

Agitation has begun for the separation of official **supervision of insurance in New Jersey** from that of banking. The same official covers both functions, and underwriters assert that the choice of a commissioner usually depends on his special knowledge of banking.

The **Phœnix Securities Company** has been incorporated at Hartford, with a capital of $1,000,000, for the purpose of acquiring the stock of the consolidated Phœnix and Connecticut companies. Edward Milligan is president, and Thomas C. Temple secretary and treasurer.

A very interesting booklet making a **comparison of rates** for perpetual and term policies issued by the Philadelphia Contributionship has been issued by the company, and acknowledgment of the receipt of a copy is herewith made.

The Pacific States Fire has **reinsured** the Western Union of Vancouver, approval of the former reinsurance with the Ontario Fire being withheld by the provincial insurance department.

The Paternelle Fire and the Second Russian have been **licensed in Massachusetts** to transact fire reinsurance business. Meinel & Wemple, Inc., New York, manage both companies.

The Minnesota Fire Prevention Association has begun an **inspection of the congested district of St. Paul,** where losses have been unusually heavy of late.

The fire insurance **loss ratio in Texas** so far this year is comparatively favorable, following a series of several years of excesive loss ratios.

The **increase of capital** of the Orient Fire has been formally **ratified** by the stockholders.

The New York Underwriters' Agency is celebrating **its fiftieth anniversary.**

Life Insurance.

The **New York Life** announces the apointment of Gilbert A. Smith, who has been inspector-of-agencies-at-large for the company since 1904, and who has been with the company in various capacities for a third of a century, to be in charge of the company's business in farm mortgage loans, recently established, with headquarters at Chicago. The company also announces that after January 1 all applications for insurance will contain a certificate by the agent regarding the desirability of the applicant as an insurance risk, and giving information as to the use of intoxicants by the applicant. In making the announcement Vice President Buckner says:

After much thought and discussion with leading agents and agency men, it has been decided to put on the back of the application (two copies herewith) a certificate from the agent as to the insurability of the applicant. In this certificate we have asked the agent to give us answers to certain leading questions, making it easy for the agent to state in a few words just the facts we want to know. To save the agent's time we have also put the rebate agreement on the back of the application. These forms must be filled up and signed by the agent writing the application, in every case written after the close of 1913. I know that in asking the company's agents to assume some of the responsibility in recommending risks to the New York Life, there will be instances in which this information may result in rating up the case. Yet I know that the agents of the New York Life are just as anxious as is the company to give the applicant a square deal and no more. Often in passing on a risk we have taken the statement from a reliable agent that he knew the applicant, and could vouch for him, to be of much value in deciding on the quality of the risk. We have done this because we knew the agent and knew that if there were anything against the applicant he would be the first to let the company know.

The Montreal *Chronicle* gives the following information concerning future **taxation of life insurance** in the Province of Quebec:

The Province of Quebec's genius for the taxation of thrift is seen again in the new bill regarding the collection of succession duties which has been rendered necessary by a recent judicial decision. In this new bill appears the following sections, which affect not only insurance policies but all earnings on such policies, which shall form part of an estate:

1. Life insurance policies, effected or appropriated under the provisions of article 7378 shall be dutiable in the same manner as any other moveable property.

2. All other sums due by an insurer by reason of the death of any insured person, shall be considered for the purposes of this section when they devolve by gratuitous title as forming part of the property of such insured persons, and shall be subject to succession dues in the same manner as other property.

That is to say, the province will in future not only take its pound of flesh off the proceeds of life insurance policies, but also a share of the premiums returned because of previous over-payments, which returns are commonly, though wrongly, called "dividends." If the deceased had elected to spend the amount he expended in life insurance premiums in some other direction, the province would not have a word to say regarding his securing value for his money; but because he elects to use his cash in this particularly thrifty way, the province says that when the time comes to adjust accounts with his successors, the province is entitled to some of it. Why, goodness only knows. But the wisdom of our legislators is far above the comprehension of the average individual.

Handsome cards conveying the best wishes of the donors and the **compliments of the season** have been received from the Security Mutual Life of Binghamton, N. Y.; the Atlantic Life, the Northwestern National Life of Minneapolis, the National Life of the U. S. A., the Lincoln National Life of Fort Wayne; the Metropolitan Life; A. G. Hall, of the *Surveyor;* Messrs. T. W. Dealy and John D. Hogshead, of the Atlanta *Insurance Herald-Argus;* Editor W. G. Taffinder, of the *Pacific Underwriter;* W. E. Longley, State Fire Marshal of Indiana; President W. G. Curtis, of the National Casualty of Detroit; the London and Lancashire Guarantee and Accident and President H. G. B. Alexander, of the Continental Casualty. The *Pacific Underwriter* also sends greeting in seventeen languages.

What has been done can be done again, and the **International Life** Company publication sets the following experience up as an example to its salesmen:

We saw the hottest life insurance act ever, the other day.

It was in a store full of Christmas shoppers.

We saw a life insurance salesman pull a prospect right away from buying Christmas presents, hand him an intense talk, and get his signature to an app for five thousand dollars!

Beat that!

Digitized by Google

Shows what can be done by a terribly determined, fiercely in earnest, iron-willed solicitor!
Forget all about your record, the best you've ever done!
Care nothing for anybody!
Bang in—get them!
Be original!
Let the something you start on January 1 be yourself.

Announcement by President Forrest F. Dryden, of the **Prudential**, is that 1913 showed larger **gains** for the company in every department than 1912, and also furnished the lowest expense rate in the history of the company. The lapsed policy percentage was reduced. The service disability plan was put into operation during the year, and much information regarding the prevention of disease has been distributed during the year to policyholders. During the year the company placed in operation many improvements in connection with its policies. By voluntary concessions heretofore made the company has paid to Industrial policyholders to date $17,500,000. The total payments to policyholders for all States and Canada to date are nearly $300,000,000.

A large interest in the affairs of the **Independent Order of Foresters** is being taken in New York State, where there are about 25,000 members, and a statement by Insurance Superintendent Emmet on Monday says that an action to test the right of the company to levy a special assessment on members joining prior to 1899, which will result in a lien on their policies if the assessment be not paid, is about to be begun. An opinion has been written by William Allaire Shortt in which members are advised to pay under protest, and await the result of the action before taking other steps. The protest will avoid heavy interest charges, and will also care for the legal rights of the assured in the matter of later recovery if the action goes against the order.

The Illinois Life has decided to **add a total disability clause** to its policies, at the suggestion of its leading agents, taking effect January 1. It will be added only when desired, and will waive payment of premiums after the policy has been in force one full year, in case the policyholder is wholly and permanently disabled before the age of sixty from following any gainful occupation. The additional premium varies according to the age and form of policy, ranging from 15 cents per $1,000 at the younger ages to more than $1 per $1,000 at the older ages.

During 1913 the **New York Life** issued over 100,000 policies for more than $232,000,000. There are now outstanding over 1,100,000 policies for about $2,270,000,000 of paid insurance—a net gain in 1913 of over $100,000,000. During 1913 the company paid in death losses on the lives of more than 8,500 policyholders over $26,000,000, and paid to living policyholders in maturing policies and other cash benefits about $39,000,000. It increased its loans to policyholders on the sole security of their policies by over $14,000,000, and paid in dividends over $14,000,000.

Casualty Insurance—Surety Bonding.

The **report of the joint examination of the Maryland Casualty Company** by the New York and Maryland insurance departments shows that the company is one of the best managed companies in the business. The examination was made for mid-year examinations. An increase of $82,620 was made as of June 30, and the income for the first half of the year was $3,285,108 and the disbursements $3,270,572. The total admitted assets amount to $6,723,626 and the liabilities, except capital, $4,815,195. The net surplus as determined by the examiners amounts to $908,430.73 and the surplus to policyholders, which includes the capital stock, amounts to $1,908,430. The company's home office building, which is one of the prominent structures of Baltimore, was appraised at $1,199,000. The securities were appraised at $4,208,600. Included therein are deposits held by States, municipalities and foreign countries amounting to $1,302,000. The examiners make some changes in reserves, increasing all except liability, some $77,863, and reducing the liability loss reserves by $234,217. These changes are due to accident reports received subsequent to June 30 and to a lack of provisions in the law in the unearned premium reserve, due to the varying provisions of the laws of the two States. The report contains a detailed history of the company and of its acquisition of the Bankers Surety Company, together with a study of its workmen's compensation experience. In the latter the Illinois system is criticised severely while the Massachusetts system is called practical. In conclusion the report says:

This report shows the company to be in a sound financial condition, with a paid in capital of $1,000,000, a paid in surplus of $300,000 and an earned surplus of $608,430.73. Its history is one of uninterrupted success; its affairs are efficiently conducted, and its statements are prepared with substantial accuracy. This examination indicates that the reserves which are based upon mathematical computations, are correctly maintained and that the company aims to carry sufficient reserves in all of its departments where estimates are based upon judgment. In all its dealings with policyholders and claimants the company has fulfilled the obligations of its contracts in a spirit of fairness. Its experience, however, in making settlements under workmen's compensation laws indicate that such settlement should be under the supervision of an industrial board. It is our opinion that whatever there may have been in its settlements of workmen's compensation claims meriting criticism has been due to the conditions and uncertainties in the law on this subject, and not to any disposition on the part of the company to be unfair to claimants.

The **London Guarantee and Accident** Company made the following important announcement this week: "United States Manager Lawson announces the appointment of Walters, Kelly & Co. as managers of the metropolitan department of the London Guarantee and Accident Company for liability, burglary, automobile and boiler lines, effective January 2, 1914. This appointment does not conflict in any way with the health and accident department, which will continue, as already announced, under the management of the John A. Kelly Company. The London recognizes that the long and successful experience of Resident Manager Walters, together with the widespread and valuable connections of the Kelly Company, are a combination that will not only materially increase the writings of the metropolitan department but will afford further opportunity to evidence the equitable and up-to-date methods of the London management." The new firm will be located on the grade floor offices heretofore occupied by the John A. Kelly Company at 55 John street.

The **Massachusetts Accident Company** is taking advantage of the fact that all **policies for 1914** have to contain the standard provisions decided upon by the insurance commissioners, and will on January 1 issue a new set of policies throughout. It is planned to standardize all their ordinary department or monthly premium policies so there will be but one date when premiums fall due; one application blank for all forms of policies; all have the same manual rating and the same general conditions. The policies, the company admits, are the most liberal ever issued, and contain many new features, and the biggest year in its history is predicted by the officers for 1914.

Digitized by Google

The Chicago *Record-Herald* says that the Missouri Fidelity and Casualty Company is to be merged with the Southern Surety Company under the latter name, with headquarters in St. Louis. The Southern recently reduced its capital from $750,000 to $500,000, adding the difference to surplus. The Missouri Fidelity and Casualty had a capital of $250,000, but its surplus was reduced by the reserves required. C. S. Cobb, of the Southern Surety, will probably be president, and W. L. Taylor, president of the Missouri Fidelity and Casualty, will be vice president and manager of the liability department.

The **Maryland Casualty** has restricted its surety and bonding business in Missouri, and made J. L. Humphrey, of St. Louis, its resident vice president at St. Louis. Mr. Humphrey will become general agent for the surety and bonding business for the company in eastern Missouri and southern Illinois. Carr Brothers will continue to represent the company in these lines in St. Louis. This arrangement will not interfere with the liability and other lines of insurance represented by W. M. Byrne & Co. as general agent.

It will become impossible to sell **accident and health policies with limited coverage** anywhere if the action of Insurance Commissioner Preus, of Minnesota, in refusing to approve such forms is followed by other supervising officials. Mr. Preus says these forms are not in accord with the new law requiring standard provisions that the National Convention of Insurance Commissioners is pushing.

The mixup in **Connecticut** as to the sufficiency of **mutual insurance** furnished by Massachusetts corporations is not yet adjusted. The Insurance Department rules that it has no authority to license outside mutuals for workmen's compensation insurance, and that employers insured under such policies must provide new indemnity respecting their Connecticut employees.

The Missouri division of the **National Association of Casualty Insurance Agents** will meet in Kansas City January 15 and 16. It is probable that the Missouri Association of Local Fire Insurance Agents and the Missouri Insurance Federation will meet at about the same time, for the convenience of agents who are interested in all these organizations.

It is announced that **Conkling, Price & Webb,** general agents in Chicago for the London Guarantee and Accident Company and the surety department of the Fidelity and Deposit, wrote casualty premiums of over $1,000,000 in 1913 and surety premiums of more than $200,000.

North Dakota, whose State hail insurance department has been a failure, will not operate a **State bonding department,** the courts having declared the law unconstitutional. It was to have become effective January 1. An attempt to oust the hail department is now to be made.

The **North American Accident** at Chicago reports premium collections for 1913 of $1,125,000 in accident and sickness business and $200,000 in poilcy fees. A gain of $100,000 was made in premium income, with an increase in surplus and reserves and a decrease in pending claims.

The proposed meeting of the **Southern Casualty** men has been fixed for June 10 and 11 at Asheville, N. C. Manager McClenaghan, the United States Casualty representative at Raleigh, has the matter in charge.

The **civil liability of employers** for damages due to wilful negligence of violation of statute can not be insured in California, according to the ruling of the California Insurance Department.

The Hartford Accident and Indemnity has **reinsured** the Massachusetts business of the American Fidelity of Montpelier, with the exception of the fidelity and surety lines.

The proposed **insurance against litigation** expense in Ohio has been **disapproved** by Insurance Superintendent Moore.

A hearing on the approval of **workmen's compensation insurance rates in Texas** will be held January 5.

Personal.

AGENCY APPOINTMENTS.

Automobile of Hartford: William T. Shackelford & Co., Baltimore, Md.

Germania Life of New York; J. Edward McIlwaine, William M. Carter and John D. Ahrens, managers, with headquarters at Charlotte, N. C., Columbia, S. C., and Little Rock, Ark.

Insurance Company of the State of Pennsylvania: Haas & MacIntyre, general agents at Atlanta, Ga.

New England Casualty: Witherspoon & Co., Tennessee general agents.

New York Underwriters: Harold G. Braithwaite, to succeed Richard N. Crosby as assistant to Special Agent Walter A. Lauler in eastern New England.

Mr. F. H. Burke, who has been acting as assistant manager of the Western department of the Fire Association of Philadelphia for some time during the illness of W. J. Haggarty, has been appointed an assistant manager, taking effect January 1, Mr. Haggarty being retained in his present title and connection, although he is still incapacitated for active service. Thomas C. Little, who has had charge of the field while Mr. Burke was at the department headquarters, will continue as State agent for Illinois.

The Hartford Fire has appointed Marlane E. Browne special agent in South Dakota and western Minnesota, succeeding F. E. Pearson, resigned. A. E. Ellsworth, who has been an inspector for the Hartford in Tennessee, goes with the recording department in Indiana under State Agent Watson. Carl B. Nipp, who has been with the Security and New Haven, goes with the Hartford in Indiana in its farm department January 15, with headquarters at Rushville.

Mr. W. H. Riker, State agent for the Glens Falls in Kentucky, has been appointed State agent of the Insurance Company of North America for Indiana, taking effect February 1. H. H. Friedley, the present State agent, will thereafter devote his attention entirely to the settlement of losses, on which he has long specialized. E. R. Shoemaker continues as special agent in Indiana with added territory.

Mr. Oscar Ising, who retired from the United States management of the Ocean on December 31, was presented with a handsome loving cup and silver service by his many friends and associates on Wednesday. Mr. Ising continues in charge of the investment department of the company's United States business, leaving the underwriting department to Mr. W. H. Gardner, as previously announced.

Mr. A. E. Perry, for thirteen years special agent for the Commercial Union in North and South Dakota, reporting to Denver, has been appointed State agent for the London and Lancashire and Orient in Minnesota. He succeeds John F. Stafford, who has assumed his duties as superintendent of agencies in the Western department in Chicago.

Mr. J. Edward McIlwaine has retired from the management of the National Life of Vermont for western North Carolina, to take a Southern management position for the Germania Life of New York. Mr. H. M. Humphrey, the manager of the National Life at Goldsboro, will assume the management for all North Carolina.

Mr. Otto E. Greeley, who was secretary and manager of the Calumet Fire in Chicago until its recent reinsurance, has been appointed general agent in the West for the Generale Fire and L'Urbaine, taking effect January 1. He will report direct to Fred S. James & Co. at New York, and will have his headquarters in Chicago.

Mr. John S. Turn has been appointed manager of the Philadelphia branch office of the Ætna Life (accident and liability department), the Ætna Accident and Liability and the Automobile insurance company of Hartford. Mr. Turn succeeds John R. Elley, who resigned recently to enter the general insurance business.

Col. C. Mason Kinne, for forty years with the Pacific department of the Liverpool and London and Globe, died at San Francisco on Christmas Day, aged seventy-two years. He was retired on a pension two years ago. He served in the Civil War as a member of the famous California Hundred.

Mr. Fred W. Bowers, State agent in Missouri for the Phœnix of Hartford, has been appointed associate Western manager of the company, with headquarters at Chicago. He has held his present position since 1899, and prior to that was special agent of the Orient for Missouri and Kansas.

Digitized by Google

Mr. J. W. Monroe, of Hartford, has been appointed to supervise the southern part of the territory heretofore covered by John B. Knox, Jr., for the Liverpool and London and Globe. The territory affected is Connecticut, western Massachusetts and Vermont.

Mr. J. C. Shepherd has resigned as special agent of the American Credit Indemnity Company, with which he has been connected for the last thirteen years, and becomes assistant general agent for J. C. McCrary & Co., general agents for the Penn Mutual Life.

Mr. A. S. Rennie, Chicago manager of the Security Mutual Life of Binghamton, N. Y., has gone to Oregon to plant the company there, and is succeeded by Harry E. Austin, who has been Chicago manager for the American Central Life.

Mr. Roy T. Baker, who has been State agent for the Queen in North and South Dakota for the past ten years, has resigned, taking effect January 1, and will be associated hereafter with Thomas Baker, Jr., & Co., of Fargo.

Mr. W. H. Gregory, formerly president of the Citizen's National Life of Louisville, announces that he will make a contest for the control against C. D. Pearce, the present president, at the next meeting on January 14.

Mr. Giles A. Fairly, insurance examiner in the office of the Iowa State Auditor, is a candidate for insurance commissioner. Governor Clarke will make an appointment some time before the first of July.

Mr. S. J. Norton, special agent of the Northern of London in Nebraska, has been transferred to Denver in charge of the mountain field, succeeding Frank D. Welpton, who goes to the Pacific Northwest.

Mr. H. M. Dinsmore, who has been with the Western and British-American on the coast, has been appointed special agent of the Prussian National in northern California, with headquarters in San Francisco.

Mr. Herman Mosenthal, member of the New York insurance borkerage firm of H. Mosenthal & Son, died on Thursday at his home, 325 Amsterdam avenue, New York City, aged eighty-one years.

Mr. C. T. Tuck has resigned as vice president and agency manager of the Meridian Life of Indianapolis, to take charge of the agency work for the Preferred Life of Grand Rapids.

Mr. W. A. Chapman, who has been assistant, succeeded J. J. McDonald as Western manager of the Connecticut on December 31, owing to Mr. McDonald's continued ill health.

Mr. Preston Y. Wright, who has been a traveling representative of the *Insurance Field*, has resigned to enter the accident and liability business at Cincinnati.

Mr. John P. Furlong, chief clerk of the Western department of the Niagara Fire, died at Chicago December 24, after a long illness, from cancer of the throat.

Mr. Conrad Witowsky, general agent for the Hamburg-Bremen Fire, who has long been in impaired health, is now said to be in a critical condition.

Mr. Henry F. Lesch has been appointed special agent for the Sun Insurance Office in the Eastern section of New York State, effective January 1.

Mr. Guy H. Biby has been appointed Cleveland, Ohio, manager of the Standard Accident insurance company of Detroit for all lines.

Mr. William E. Gable, of Peoria, has been appointed special agent in southern Illinois for the Springfield, taking effect January 1.

Mr. C. C. Clark has resigned as secretary of the Sterling Fire of Indianapolis, and will open a reinsurance bureau in Chicago.

Mr. E. T. Campbell has resigned as secretary of the First National Life and Accident Company of South Dakota.

Mr. William A. Druck, an inspector of boilers for the Travelers, died at Louisville, Ky., aged fifty-three years.

Mr. M. Fisher has resigned as special agent of the Union of London for Idaho, Utah and Montana.

Mr. George W. Riggs, a Chicago life insurance man, was killed in an accident on Christmas Day.

Mr. R. R. Otis has resigned as Iowa State agent for the Westchester Fire of New York.

Obituary.

DeWitt Clinton Skilton.

The death of DeWitt Clinton Skilton, former president of the Phœnix Fire of Hartford, occurred at his home in Hartford, Conn., December 26, after a long illness from hardening of the arteries. Mr. Skilton had been a guest on Christmas Day, when he said he felt much improved. The next evening the end came within half an hour after the fatal attack.

Mr. Skilton was born in Plymouth, Conn., January 11, 1839, and came of a line of distinguished ancestry. He came to Hartford in 1855, and in October, 1861, became a clerk in the office of the Hartford Fire, but in 1862 he enlisted and became a lieutenant in the Twenty-second Regiment, Connecticut Volunteers. With an honorable military record he returned at the close of the war to Hartford and resumed his place with the Hartford Fire. In 1867, at the age of twenty-nine, he was elected secretary of the Phœnix Fire and became its vice president in 1888. In 1891 he was chosen president, succeeding Henry Kellogg. Mr. Skilton was secretary of the National Board of Fire Underwriters three years, was its vice president seven years and president three years, declining further re-eletcion.

In addition to his connection with the fire insurance business, Mr. Skilton has been on the directorate of several Hartford banks and other organizations of importance and influence. In October, 1911, Mr. Skilton completed a half century of insurance work, and the anniversary was remembered by the officers and clerks of the Phœnix, the former giving him fifty American Beauty roses and the latter a handsome clock. Mr. Skilton, at that time, spoke to the Phoenix force, telling them in connection with his expression of thanks for the gifts, of his years in the fire insurance business and describing his first work in that line.

There was no outsider present at that time except President William B. Clark, of the Ætna (Fire) insurance company, the dean of the fire insurance fraternity of this city, who had called to offer his congratulations to Mr. Skilton. The latter, at that time, recalled the fact that President Clark was the only man then in a Hartford insurance office who was in one on the day he went to work in that business. President Clark's period of service antedated that of President Skilton by four years.

When Mr. Skilton retired from the presidency of the Phœnix last June, on account of ill health, his resignation was accepted with regret by the directors, who passed a resolution of "admiration for his distinguished career as an underwriter and for his long, faithful and loyal service as an officer" of the company. He was at that time made chairman of the board of directors.

Mr. Skilton's underwriting career was contemporary with the years of the great growth in American underwriting, and he was identified with important reforms and advances in fire underwriting methods. He was with the Phœnix through the great fires which taxed the Hartford insurance companies from the Chicago fire of 1871 and the Boston fire of the same period down through the Baltimore fire and the conflagration and earthquake in San Francisco in 1906. Under his administration the Phœnix made remarkable strides.

The funeral services were held at Hartford on Monday.

Insurance Records of 1913.

Official Changes in Fire Insurance Companies.

American Home Fire, of Greenville, S. C.—J. W. Norwood elected secretary, succeeding Charles F. Hard; subsequently elected president.

Atlantic Fire of Jacksonville, Fla. (New)—William E. Alexander elected president, Martin B. Bartholomew vice president; Frank S. Porter, secretary.

Bankers and Merchants' Fire of Minneapolis, Minn. (New)—C. A. Christensen elected president; A. M. Worley, first vice president; J. B. Nelson, second vice president; H. F. Thompson, secretary; G. B. Gebhard, treasurer; Lloyd Caldwell elected vice president, succeeding R. M. Worley.

Capital Fire of Concord, N. H.—Charles L. Jackman elected president, succeeding Lyman Jackman, deceased; Freeman T. Jackman elected assistant secretary.

Central National Fire of Chicago—Morris H. Prescott elected treasurer.

Citizens' Fire of Baltimore—Alexander N. Stewart elected vice president.

Connecticut Fire of Hartford—William T. Howe elected vice president.

Dorchester Mutual Fire of Boston—William A. Muller elected president.

Firemen's of Newark—John Kay elected vice president, succeeding Charles Colyer, deceased.

Forest City Fire of Rockford, Ill.—Thos. O. Reber elected president, succeeding W. F. Barnes; H. W. Williams, vice president; James M. Silanek, secretary, succeeding A. H. Sterratt.

Digitized by Google

Germania Fire of New York—George D. Edwards elected president, succeeding Hugo Schumann, deceased.

Great Southern Fire of Louisville (New)—William H. Cox elected president, succeeding A. E. Wilson.

Guardian Fire of Salt Lake City (New)—David C. Eccles elected president; C. E. Loose, Thomas Smart and R. W. Salisbury, vice presidents; Lewis B. McCormick, secretary and treasurer.

Hibernia Fire of Chicago (New)—M. J. Naghten elected president.

Hartford Fire—Richard M. Bissell elected president, succeeding Charles E. Chase, retired; Whitney Palache and James Wyper elected vice presidents; E. A. Bolmer, secretary.

Insurance Company of the State of Pennsylvania—Gustavus Remak, Jr., elected president, succeeding Clarence E. Porter, resigned; Hart Darlington and Harry W. Stevenson elected vice presidents.

International Reinsurance of Vienna (Admitted)—Mutzenbecher & Ballard of New York appointed United States managers.

Interstate Fire of Detroit (New)—Calvin A. Palmer elected president; C. O. Davis, vice president; W. A. Elbridge, secretary; Leo K. Henns, treasurer.

Knickerbocker Fire of New York (New)—Charles E. Peck elected president; John E. Eustace, first vice president; Raymond F. Marshall, second vice president; Sidney J. Townsend, secretary.

Law Union and Rock—Hall & Henshaw of New York appointed United States managers, succeeding A. F. Shaw, resigned.

Lynn Mutual Fire of Lynn, Mass.—F. W. Porter elected secretary.

Merchants' Fire of New York—Alden C. Noble elected secretary, to succeed W. S. Lemon.

Milwaukee German—Edward W. Demmer elected secretary, succeeding Julius Graves.

Netherland Fire and Life of The Hague (Admitted)—Harold W. Letton appointed United States resident manager.

Newark Fire—Thomas Richardson elected treasurer.

Paternelle Fire of Paris (Admitted)—Meinel & Wemple, Inc., appointed United States managers.

People's National Fire of Philadelphia—E. C. Stokes elected president, succeeding Louis S. Antonson, deceased; Robert B. Beath elected vice president; Henry T. Alley, secretary; J. M. Canning, treasurer.

People's National Fire of Toledo, O. (New)—H. M. Barfield elected president.

Phœnix of Hartford—Edward Milligan elected president, succeeding Dewitt C. Skilton, resigned.

Potomac Fire of Washington, D. C.—Charles W. White elected president; Thomas C. Moore elected vice president and manager.

Royal Exchange of London—George A. Bell appointed assistant United States manager.

State Fire of Des Moines, Ia.—J. B. Sullivan elected vice president, succeeding W. M. Pratt.

Sterling Fire of Indianapolis (New)—John C. Billheimer elected president; Cyrus W. Neal, James F. Joseph and Lewis A. Coleman, vice presidents; C. C. Clark, secretary; Lyman B. Milliken, treasurer.

Teutonia Fire of Pittsburgh—C. W. Gerwig elected president, succeeding Henry Gerwig, who was elected president emeritus; F. Blume elected vice president; N. A. Weed, secretary.

Teutonia of Dayton, Ohio—Jacob Linxweiler elected president, succeeding William Pape; William F. Kramer, secretary.

United American of Frankfort, Ky. (New)—H. M. Froman elected president; Holmes Cummins, secretary; John A. Brislan, treasurer.

United Firemen's of Philadelphia—Henry T. Alley elected vice president.

United Mutual Fire of Houston, Tex. (New)—William F. Train elected president; W. M. Coney, vice president; Charles Inglesby, secretary-treasurer.

United States insurance company of Jacksonville, Fla. (New)— H. B. Race elected president; F. E. Jennings, vice president; Frank W. Rivers, secretary and treasurer.

Westchester Fire of New York—John H. Kelly elected vice president and treasurer, succeeding M. O. Brown, deceased.

Worcester Mutual Fire of Worcester, Mass.—Harry Harrison elected assistant secretary.

Increase or Reduction of Capital by Fire Companies in 1913.

Cleveland National Fire of Cleveland, Ohio, $600,000 to $700,000; First National Fire of Washington, D. C., $488,287 to $1,250,000; Hartford Fire authorized to increase its capital from $2,000,000 to $10,000,000; Home of New York, $3,000,000 to $6,000,000; New Brunswick Fire of New Brunswick, N. J., from $200,000 to $300,00; New Jersey Fire of Newark, $900,000 to $1,000,000; New York Insurance Company, $500,000 to $1,000,000; North River Fire of New York, $350,000 to $500,000; Orient Fire of Hartford, $500,000 to $1,000,000; Pacific States Fire of Portland, Ore., $500,000 to $1,000,000; Springfield Fire and Marine, $2,000,000 to $2,500,000; Standard Fire of Hartford, $500,000 to $1,000,000; Union of Bangor, Me., $200,000 to $300,000.

American Central, St. Louis, from $2,000,000 to $1,000,000; Dakota Western of Sioux Falls, S. Dak., $137,386 to $100,000; St. Joseph Fire, St. Joseph, Mo., $400,000 to $200,000.

Joint Stock Fire and Marine Insurance Companies Organized or Projected During 1913.

	Cash Capital.	Proposed Surplus.	Proposed Capital.
Associated Industries Fire, Chicago..	.....	.....	.....
Atlantic Fire, Jacksonville, Fla...	.....	.....	$80,000
Bankers & Merchants Fire, Minneapolis, Minn.....	.....	.....	1,000,000
Columbian National Fire, Detroit..	$1,000,000	.....	.....
Guardian Fire, Salt Lake City, Utah	.....	.....	500,000
Hibernia Fire, Chicago, Ill.....	.....	.....	500,000
Liberty Fire, Jersey City, N. J.....	100,000	.....	1,000,000
Missouri National Fire, Joplin, Mo.	1,000,000	.....	1,000,000
Mountain City Fire, Greenville, S. C.	.....	.....	50,000
National Fire of the United States, Evansville, Ind.....	.....	.....	4,000,000
People's National, Toledo, O.....	.....	$50,000	100,000
Phenix Mutual, Concord, N. H...	50,000	.....	.....
Shawnee Fire and Marine, Lima, O.	100,000	.....	.....
United States, Jacksonville, Fla...	.....	.....	50,000
United States Fire, Memphis, Tenn.	.....	.....	200,000
Washington National Fire, Spokane, Wash.	100,000	.....	.....
Waco Fire, Waco, Tex.....	.....	.....	100,000

The following underwriters' agencies and inter-insurers were organized: Germania Underwriters by the Germania Fire of New York; Hardware Inter-Insurers of Los Angeles, Cal.; Newark Fire Underwriters by the Newark Fire of New Jersey; Underwriters at Lloyds of Minneapolis, Minn.

The following foreign fire insurance companies were admitted during 1913: International Reinsurance of Vienna, deposit in New York, $255,000; Netherlands Fire and Life of The Hague, $225,000; Nord-Deutsche of Hamburg, $210,000; Paternelle Fire of Paris, $200,000; Second Russian of St. Petersburg, $200,000; State of Liverpool, $233,000; Urbaine Fire of Paris, $200,000.

Mutual Fire Insurance Companies Incorporated or Projected in 1913.

Indemnity Exchange Mutual Fire, Los Angeles, Cal.

Ohio Mutual Auto Fire Insurance Association, Hamilton, Ohio.

United Mutual Fire, Houston, Tex.

Fire and Marine Insurance Companies Which Ceased To Do Business in 1913.

Companies.	Paid Up Capital.	Reinsured by
American Home Fire, Greenville, S. C.	$200,000	German-American, N. Y.
American Mutual Fire, Dover, Del..	Mutual	Failed
American Union Fire, Philadelphia...	Mutual	Failed.
Augusta Fire, Augusta, Ga.....	124,200	Citizens Fire, Baltimore.
Bankers Fire, Phœnix, Ariz.....	.....	Fireman's Fund.
Calumet Fire, Chicago, Ill.....	300,000	National Union, Pittsburgh.
Consolidated Fire and Marine, Minneapolis	100,000	Northwestern F. and M., Minneapolis.
Essex County Mutual, Bloomfield, N. J.	Mutual	Firemen's, Newark.
Factors, Memphis, Tenn.....	100,000	Westchester Fire.
Fidelity Fire, Des Moines.....	50,000	German-American, N. Y.
Hawkeye and Des Moines Fire, Des Moines, Ia.....	100,000	Fireman's Fund.
Holland-American Mutual, Paterson, N. J.....	Mutual	Liquidated.
Home Fire, Wheeling, W. Va.....	250,000	Phœnix of Hartford.
Home Mutual Fire, Lexington, Tenn.	Mutual	Southern States Fire.
Imperial Fire, Denver, Col.....	250,000	German-American, N. Y.
Indian Millers.....	Mutual	Reinsured.
Interstate Fire, Birmingham, Ala....	100,000	German Fire, Peoria, Ill.
Lahaska Mutual Fire.....	Mutual	Failed.
Los Angeles Fire, Los Angeles, Cal..	243,500	Home, N. Y.
Manufacturers and Merchants Mutual, Philadelphia	Mutual	Failed.
Mercantile Fire and Marine, Dover, Del.	Mutual	Failed.
Middle West Fire, Valley City, N. Dak.	200,000	Twin City, Minneapolis.
Nassau and Dutchess Fire, New York.	400,000	Williamsburgh City, N. Y.
National Home Fire, Atlanta.....	.....	Georgia Fire, Atlanta.
National Fire, Cincinnati, Ohio.....	100,000	Commercial Union.
North Coast Fire, Seattle Wash.....	100,000	Pacific States Fire, Portland, Ore.
Pelican Fire, Shreveport, La.....	100,000	Liquidated.

Digitized by Google

Companies	Paid Up Capital.	Reinsured by
Phenix Fire and Marine, Memphis, Tenn.	100,000	Westchester Fire, N. Y.
Phœnix Fire, Phœnix, Ariz.	.....	Fireman's Fund, Cal.
Potomac, Washington, D. C.	100,000	Globe and Rutgers, N. Y.
Provident Mutual, Philadelphia	Mutual	Failed.
Sioux City Fire, Sioux City, Ia.	100,000	Hartford Fire, Conn.
Southern National Fire, Austin, Tex.	100,000	German Fire, Peoria, Ill.
Southern States Fire, Birmingham, Ala.	205,310	Anchorage, Ky.
Sovereign Fire, Toronto, Canada	211,000	Globe and Rutgers.
State Fire, Des Moines	100,000	Phœnix of Hartford.
Teutonia of New Orleans	250,000	Hartford Fire.
Union Mutual Fire, Enid, Okla.	Mutual	Receivership.
United American Fire, Frankfort, Ky.	100,000	Henry Clay Fire, Lexington, Ky.
United States Merchants Mutual, Philadelphia	Mutual	Failed.
Virginia State, Richmond, Va.	200,000	German-American, N. Y.
Vulcan Fire, New York	.....	Western of Toronto and Home of New York.
Western and Atlantic Fire, Nashville, Tenn.	200,000	Globe and Rutgers, N. Y.

The Insurance Company of the State of Pennsylvania and the American of Philadelphia have merged with a capital of $1,000,000.

The Westchester Fire and the Nassau and Dutchess Fire have merged under the name of the Westchester Fire.

The Greenwich Fire and the Pacific Fire, both of New York, have merged under the name of the latter.

The United American Fire of Milwaukee at the Twin City Fire of Minneapolis have merged under the name of the latter.

Casualty, Surety, Liability and Miscellaneous Companies Organized or Projected in 1913.

Companies.	Actual or Proposed Capital.
Alabama Fidelity Mortgage and Bond	$550,000
American Indemnity, Baltimore, Md.	500,000
American Indemnity, Galveston, Tex.	500,000
American National Surety and Casualty, Galveston, Tex.	200,000
Atlantic Plate Glass, Atlantic City, N. J.	Mutual
Bankers' Mutual Casualty, Milwaukee, Wis.	Mutual
Ben Franklin Surety, Hampton, Ia.	100,000
Building Contractors' Mutual Casualty, Milwaukee	Mutual
Citizens' Co-operative Casualty, Waseca, Minn.	.....
Commercial Accident, Minneapolis, Minn.	.....
Dakota Casualty, Sioux Falls, S. D.	Mutual
Dakota Live Stock Casualty, Bismarck, N. D.	100,000
Employers' Liability Mutual, Newark, N. J.	Mutual
Federal Bonding and Insurance, Hoboken, N. J.	250,000
Hartford Accident and Indemnity	500,000
Inter-Mountain Surety, Helena, Mont.	300,000
Los Angeles Title, Los Angeles, Cal.	200,000
New York Indemnity Company, New York	100,000
Oakland Title, Oakland, Cal.	200,000
Ohio Casualty, Cleveland, Ohio	100,000
Ohio Mutual Liability and Casualty, Cleveland, Ohio	100,000
Republic Casualty, Cleveland, Ohio	1,000,000
Southwestern Casualty, Albequerque, N. M.	100,000
Trinity Valley Trust, Dallas, Tex.	1,000,000
United Life and Accident, Concord, N. H.	250,000
Western Indemnity, Dallas, Tex.	400,000
Western Mortgage and Casualty, San Francisco, Cal.	440,100
Workmen's Compensation Mutual Liability, Milwaukee, Wis.	Mutual

The Zurich Accident and Liability of Zurich, Switzerland, was admitted to several states in 1913.

Life Insurance Companies Organized or Projected in 1913.

Companies.	Actual or Proposed Capital.
American Mutual Life, St. Charles, La.	$400,000
American National Life, St. Louis, Mo.	100,000
Atlas Life, Birmingham, Ala.	100,000
Beacon Life, Minneapolis, Minn.	.....
Capital Mutual Life, Austin, Tex.	.....
Consolidated Life, Portland, Ore.	250,000
Cosmopolitan Life, Atlanta, Ga.	250,000
Delta Life, New Orleans, La.	10,000
First Life and Trust, Chicago, Ill.	100,000
Home Protective Life, Indianapolis, Ind.	200,000
Indiana Life, New Albany, Ind.	.....
Inland Life, Carroll, Ia.	100,000
Iroquois Life, Louisville, Ky.	.....
Kansas Life, Topeka, Kan.	100,000
Lincoln American Life, Jacksonville, Fla.	100,000
Maturity Life Association, San Francisco, Cal.	Assessment
McKinley National Life, Youngstown, Ohio	.....
Negro National Life, Helena, Ark.	250,000
Northern States Life, Hammond, Md.	150,000
Old Dominion Life, Norfolk, Va.	300,000
Prairie Life, Omaha, Neb.	225,000
Provident Life, Des Moines, Ia.	100,000
Puritan Life and Annuity, Columbus, Ohio	.....
Rational Life, Denver, Col.	500,000
Royal Life and Casualty, Bayville, La.	Assessment
Sioux Life and Casualty, Sioux Falls, S. D.	.....
Standard Life, Atlanta, Ga.	100,000
State Life, Great Falls, Mont.	160,000
St. Joseph Life, St. Joseph, Mo.	100,000
Sun Life of America, Birmingham, Ala.	.....
The Hub Insurance Company, Harrisburg, Miss.	10,000
Twin City Life, Minneapolis, Minn.	100,000
Underwriters' Life, Chicago, Ill.	500,000
Union Life, Pittsburgh, Pa.	200,000
United Life and Accident, Concord, N. H.	250,000
United Life, Pittsburgh, Pa.	200,000
United Protective Life Association, San Francisco	Assessment
United States, Memphis, Tenn.	200,000
Unit Standard Life, Los Angeles, Cal.	300,000

The promotion of the Washington Life of Charlotte, N. C., which was organized in 1912, was abandoned in 1913.

Increase or Decrease of Capital by Life, Casualty and Surety Companies in 1913.

American Casualty, Reading, Pa., $325,000 to $500,000; American National, Galveston, Tex., $100,000 to $200,000; Chicago Bonding and Surety, $250,000 to $1,000,000; Commercial Casualty, Newark, N. J., $250,000 to $375,000; Illinois Surety, Chicago, Ill., $250,000 to $500,000; Life Insurance Company of Virginia, $400,000 to $500,000; Midland Casualty, Chicago, Ill., $200,000 to $300,000; Midland insurance company, St. Paul, Minn., $100,000 to $200,000; New Amsterdam Casualty, New York, $100,000 to $400,000; Pan-American Life, New Orleans, La., $655,830 to $925,000; Security Life of America, Chicago, Ill., $500,000 to $220,000; Union Liability, Chicago, Ill., $50,000 to $100,000.

Dakota Western Life, Sioux Falls, S. Dak., $137,886 to $100,000; Inter-Ocean Life and Casualty, Springfield, Ill., $200,000 to $100,000; Missouri Fidelity and Casualty, Springfield, Mo., $250,000 to $100,000; Old Colony Life, Chicago, Ill., $168,000 to $125,000; Pacific Coast Casualty, San Francisco, $400,000 to $300,000; Sam Houston Life, Dallas, Tex., $300,000 to $100,000; Southern National Life of Louisville, Ky., $500,000 to $250,000.

Life, Casualty and Miscellaneous Companies Which Ceased To Do Business in 1913.

Alabama Fidelity and Casualty, Montgomery, Ala., merged with Fidelity Mortgage and Bond Company.

American Bonding, Baltimore, Md., merged with the Fidelity and Deposit, Baltimore, Md.

American Casualty Exchange, Kansas City, receivership.

American Health and Accident, Des Moines, reinsured by the Bankers Accident, Des Moines.

American Mutual Benefit, Maryland, reinsured by the National Life of the U. S. A.

American Mutual Life, Elkhart, Ind., failed.

American Surety and Casualty, Houston, Tex., reinsured by the American Surety, New York.

Arizona Life, Phœnix, Ariz., reinsured by the Occidental Life, Los Angeles, Cal.

California National Life, San Diego, reinsured by the International Life, St. Louis.

Cherokee Life, Rome, Ga., reinsured by the American National, Galveston, Tex.

Commercial Life, Indianapolis, reinsured by the Pension Mutual Life.

Empire Life, Seattle, Wash., reinsured by the American Casualty, Tacoma, Wash., and the West Coast Life, San Francisco, Cal.

Falls City Life and Accident, Louisville, merged with the American Life and Accident Company, Louisville.

Fairview Casualty, Barre, Vt., reinsured by the New England Casualty, Boston.

Fidelity Accident, Saginaw, Mich., reinsured by the United States Health and Accident, Saginaw, Mich.

Georgia Life, Macon, reinsured by the Maryland Life, Baltimore.

Digitized by Google

Great Northern Life, Toledo, Ohio. Liquidated.
Imperial Assurance Company, Pittsburgh, reinsured by the American Assurance, Philadelphia.
Inter-Ocean Life and Casualty, Springfield, Ill., reinsured by the Franklin Life, Springfield, Ill.
Mississippi Valley Life, Little Rock, Ark., reinsured by the Home Life and Accident, Fordyce, Ark.
National Progressive Life, Cincinnati, reinsured by the Western and Southern Life, Cincinnati.
North American Mutual, Mansfield, Ohio. Liquidated.
Northern Casualty, Aberdeen, S. D. reinsured by the Northwestern Surety, Mitchell, S. D.
Northwestern Surety, Mitchell, S. D. Liquidated.
Progressive, Birmingham, Ala., reinsured by the American National, Galveston, Tex.
Republic Life, Kansas City, merged with the Pioneer Life, Kansas City.
Southern National Life, Lyndon, Ky., merged with the Inter-Southern Life, Louisville.
Standard Life, Camden, N. J., reinsured by the Philadelphia Life.
States Accident, Chicago, Ill., reinsured by the American Bankers Life, Chicago, Ill.
Union Life, Toronto, Ont., reinsured by the Metropolitan Life, New York.

The legal reserve business of the Hartford Life of Hartford, Conn., was reinsured in 1913 by the Missouri State Life of St. Louis, Mo.

The Indemnity Life and Accident Company of Minneapolis, Minn., capital $100,000, ceased doing business and consolidated with the Midland Insurance Company, St. Paul, Minn.

The Minnesota Scandinavian Relief Association, Red Wing, Minn., an assessment life insurance company, whose license expired March 1, 1913, went out of business.

Official Changes in Life, Casualty and Surety Companies in 1913.

Alabama Fidelity and Casualty—H. C. Forbes elected vice president and manager.
American Indemnity of Baltimore—A. M. Bowen, Jr., elected president.
American National Life of St. Louis (New)—G. W. Van Fleet elected president.
American Surety of New York—F. W. Lafrentz elected president; Walter S. Johnston, Henry C. Willcox, C. S. Van Rensselaer, J. W. Mason, R. R. Brown, Richard Deming, Lewis B. Reed, vice presidents; H. B. Zevely, secretary; William A. Brandt, treasurer.
Amicable Accident of Chicago, Ill.—W. S. Hoopes elected secretary.
Anchor Life of Indianapolis—T. W. Wilson elected president; C. W. Kinney, vice president; G. H. Craft, secretary and actuary; C. L. Caldwell, treasurer.
Atlas Life of Montgomery, Ala. (New)—B. P. Crum elected president; G. Montagu Nettleship, vice president and general manager; S. J. Cassels, second vice president; S. Gassenheimer, third vice president; B. L. Gaddis, treasurer; W. F. Black, secretary.
Ben Franklin Surety of Hampton, Ia. (New)—John M. Hemingway elected president; Irma H. Harrington, secretary and treasurer.
Boston Casualty Company—Henry A. B. Peckham elected treasurer.
California State Life of Sacramento—A. G. Folger elected president, succeeding Marshall Diggs; W. J. Clemens, vice president.
Casualty Company of America—John S. Jenkins elected secretary and treasurer, succeeding John E. Connelley, resigned.
Cherokee Life of Rome, Ga.—Barry Wright elected president; E. W. Butler, first vice president; H. G. Bowie, second vice president; G. K. Henshall, secretary; R. M. Harper, treasurer.
Commonwealth Bonding and Casualty of Fort Worth, Tex.—Bacon Saunders elected president, succeeding John Scharbauer; John L. Terrell elected vice president.
Commonwealth Life of Omaha, Neb.—Franz Nelson elected president, succeeding Sherman Saunders, deceased; E. H. Mason, secretary, succeeding Mr. Nelson.
Cosmopolitan Life of Atlanta, Ga. (New)—J. O. Wynne elected president; W. L. Pomeroy, secretary.
Cotton States Life of Tupelo, Miss.—F. Clovis Hines elected president; W. T. Reeves and Travis H. Taylor, vice presidents; Ira F. Archer, secretary.
Delta Life of New Orleans, La. (New)—E. J. Mothe elected president; E. M. Stafford, vice president; Wallace S. Lampton, secretary and treasurer.
Equitable Life of New York—A. B. Horr elected treasurer, succeeding C. B. Phelps.
Equitable Surety of St. Louis—Benjamin J. Taussig elected president, succeeding James E. Smith.
Farmers' National Life of Chicago (New)—John M. Stahl elected president; E. W. Wickey, secretary.
Federal Casualty, Detroit, Mich.—L. E. Daily elected secretary, succeeding Peter Patterson.
Fidelity and Deposit of Baltimore.—B. F. Cator and William H. Harris elected vice presidents.
Four States Life, Texarkana, Ark.—J. M. Witt elected president; Frank Seegar, first vice president; M. F. Barrett, second vice president; F. E. Moberly, third vice presidents; Dan J. Cavitt, secretary and treasurer.
Galveston Life of Galveston, Tex.—B. P. Bailey elected president.
General Accident of Perth, Scotland—Robert C. Lees Hamilton appointed treasurer of the United States branch.
Home Life and Accident of Fordyce, Ark.—A. B. Banks elected president; W. S. Mitchell, first vice president; A. L. Aydelotte, second vice president.
Indiana National Life of Indianapolis—William M. Croan elected vice president.
Indianapolis Life—Colin E. King elected secretary, succeeding Thomas F. Barrett, Jr., resigned.
International Life of St. Louis—Massey Wilson elected president; J. L. Babler, vice president and general manager of agencies; J. P. Hinton and Joseph E. Washington, vice presidents; W. F. Grantges, secretary; S. W. Jurden, treasurer.
Interstate Life of Gainesville, Fla. (New)—H. D. Wood elected president; E. O. Chitty and Christopher Matheson, vice presidents; Walter Colson, secretary.
Iowa Life of Waterloo, Ia.—F. A. Ferguson elected president, succeeding F. F. McIlhenny, resigned; E. A. Resor, secretary.
Kansas Casualty and Surety Company of Wichita, Kan. (New)—J. C. O. Morse elected president; J. W. O'Neill, secretary.
Kansas Life of Topeka (New)—Charles W. Barnes elected president.
Latin-American Life and Casualty of New Orleans—Dr. H. W. Kostmayer elected president.
Life Insurance Company of Virginia—Edward D. Harris elected president, succeeding T. William Pemberton.
Lincoln-American Life of Jacksonville, Fla.—D. S. Shine elected president; A. B. Campbell, vice president; S. C. Harrison, Jr., secretary.
Manhattan Life of New York—Thomas E. Lovejoy elected president; John F. Roche, first vice president.
Michigan State Life: Arthur F. Hall elected president; D. B. Ninde, vice president; F. B. Mead, second vice president.
Missouri State Life of St. Louis: T. F. Lawrence elected secretary.
Northern States Life of Hammond, Ind.—F. C. Worth elected president; Theodore F. Ruhland, secretary.
Negro National Life of Helena, Ark. (New)—J. H. Barabin elected president.
New Amsterdam Casualty of New York—W. F. Moore elected president; J. Arthur Nelson, vice president; A. M. Bowen, Jr., vice president; George E. Taylor, secretary; Sifford Pearce, treasurer.
Ohio National Life of Cincinnati, Ohio—R. B. Palmer elected president.
Old Colony Life of Chicago—William A. Vawter elected president, succeeding H. G. Austin, resigned.
Our Home Life of Jacksonville, Fla.—C. R. Allen elected president; D. A. Simmons, F. M. Hudson, R. J. Evans and J. A. McLaurin, vice presidents; R. J. Evans, secretary.
Pacific Coast Casualty—L. B. Hoge elected second vice president.
Peninsular Life of Detroit—E. Englehart elected secretary.
Philadelphia Casualty—William H. Harris elected president.
Postal Life of New York—P. V. De Graw elected vice president.
Provident Life of Des Moines (New)—B. F. Carroll elected president; J. B. Butler, vice president; Elbridge J. Dawson, secretary.
Republic Casualty of Cleveland, Ohio (New)—J. H. Silliman elected secretary and manager.
Southland Life of Dallas, Tex.—Louis Linzmeyer elected vice president and actuary; Harry L. Sears elected secretary, succeeding Lloyd H. Smith.
Sun Life of Birmingham, Ala. (New)—Oscar Hundley elected president; J. H. Lynch, vice president.
Toledo Life of Toledo, Ohio—C. M. Feilbach elected president.
Trinity Valley Trust of Dallas, Tex. (New)—J. T. Young elected president; M. J. Burton, secretary; John D. Owens, treasurer.
Twin City Life of Minneapolis (New)—J. H. Smith elected president; Wayne Franklin, secretary and treasurer.
Union Liability of Chicago, Ill. (New)—John R. Draper elected president; Abel L. Allen, secretary.
Union Central Life of Cincinnati: John D. Sage elected second vice president, succeeding Paul E. Williams; George C. Williams, secretary.
Union Life of Chicago—E. P. Strandberg elected president; E. M. Metcalf, vice president; L. P. Kuhn, secretary; W. H. Bowers, treasurer.
Union Life of Pittsburgh, Pa. (New)—Joseph A. Langfitt elected president.
Union Mutual Life of Portland, Me.—Sylvan B. Phillips elected second vice president.
United Life and Accident of Concord, N. H. (New)—C. E. Carr elected president; Allen Hollis, vice president.

(Continued on Page 19.)

Digitized by Google

The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, JANUARY 3, 1914.

REFRIGERATION.

History of Development—Processes, Ancient and Modern—Special and Incidental Hazards.

By Alfred J. Tallamy, Insurance Inspector, New York.

Like most scientific achievements, the practice of artificial refrigeration is directly due to a great natural law. As water always tries to find its level, so also do heat and cold try to balance and equalize. For example, if a cold and a hot body or substance were to come in contact with each other an immediate change would take place; the cold body gradually absorbing the heat from the hot body would get warmer, while the hot body in parting with its heat would gradually cool, until the temperature of both is the same. Briefly stated, this is the fundamental principle of artificial refrigeration.

As far back as the year 400 low temperatures were attained by a liquefaction process; the refrigerant being formed by the fusion of various salts in water, or by the mixture of cracked ice, snow and common salt. Temperatures below 32° Fahr. were maintained with these solutions.

THE VACUUM SYSTEM.

The first efforts to produce refrigeration by mechanical means appear to have been made about the middle of the 18th century. when Dr. William Cullen, a Scotch physician discovered that by forcing the evaporation of water a certain amount of its latent heat is removed. In the year 1755 he invented a vacuum refrigerating machine consisting of a sealed vessel containing a certain amount of water and air, with a vacuum or air pump connection. The air in the vessel was removed by the air pump, creating a vacuum and causing a certain percentage of the water to evaporate. the heat necessary for evaporation being taken from the water itself. As the vacuum was increased, the temperature of the water was reduced until it reached a freezing point.

Some years later a similar machine was made in which the vapor from the water was absorbed as removed by a concentrated sulphuric acid. This was the first mechanical refrigerating machine used with commercial success. Though similar machines were used more or less throughout the 19th century and even within the past few years, their success was very limited because of the corrosive action of the sulphuric acid on the metal parts of the machines, it being almost impossible to maintain tight joints any length of time.

THE COLD AIR SYSTEM

of refrigeration is distinctly an American invention, the first machine meeting with success being invented by Dr. John Gorrie of Florida about the middle of the nineteenth century.

While it has a distinct advantage over other refrigeration systems now in use, inasmuch as no dangerous chemicals are necessary in its operation, it is gradually becoming obsolete largely because of its bulkiness and poor general results as compared with modern systems using volatile liquids.

It is especially well adapted, however, to marine work and atmospheric cooling for which it is still used to some extent.

Air is converted into a refrigerant by a very simple process, bringing into play another of nature's laws. Air in its natural state contains a certain amount of latent heat. When it is under compression this latent heat is intensified to such an extent that it can be easily removed. In the absence of this heat, air can not return to its natural state, which it is prone to do when released, until it has absorbed an amount of heat equal to that removed during compression.

The function of the cold air machine, therefore is to reduce air to an unnatural state by compressing it and removing part of its latent heat, after which, the air in expanding becomes a natural refrigerant.

Great difficulty was met with in the early use of cold air machines, due to the moisture which would collect and freeze in the pipes, valves and fittings, and clog the system. This was eventually evercome by subsequent improvements designed to relieve the compressed air of its moisture before it entered the expansion chamber.

Most cold air machines though larger, are not unlike an ordinary double acting air pump in general appearance. In operation air is pressed to about 50 lbs. per square inch, the temperature being increased in proportion. The heat of compression is absorbed and carried off by the running water in the jacket coolers surrounding the air tubes. The compressed air, though reduced to a temperature slightly above normal, still retains its moisture which is removed by allowing the spent cold air on its

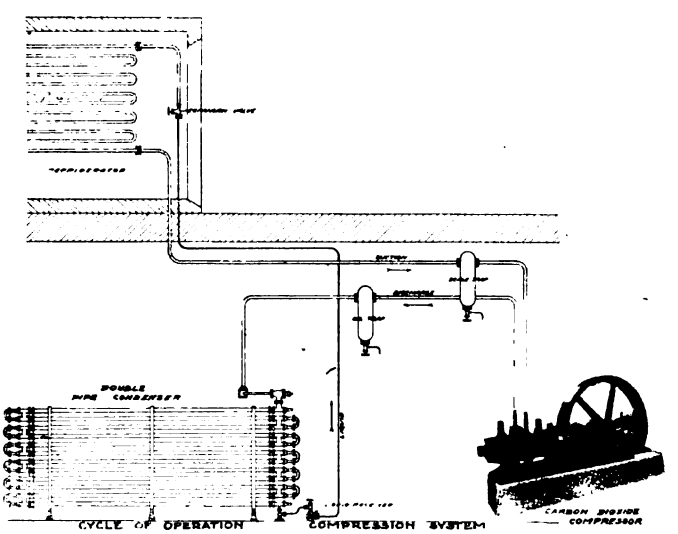


FIG. 1.

return to the compressor from the refrigerator to circulate round the pipe containing the compressed air on its way to the expansion cylinder.

The expansion chamber generally resembles the compression cylinder in appearance and is so arranged that the air in expanding helps run the compressor. The air leaves the expansion cylinder at a very low temperature and is conducted to the room to be cooled where it enters through an opening near the ceiling. drops to the lowest level, gradually rising as it becomes heated until it finds its way to the outlet, usually at the opposite end of the room. It is then drawn back to the compressor and when properly mixed with fresh air recompressed and forced through the same cycle of operation as before.

VOLATILE LIQUIDS AS REFRIGERANTS.

At the present time artificial refrigeration is produced largely by the use of volatile liquids as the cooling agents. The first machine designed to produce refrigeration with the use of volatiles was made in the year 1834. This machine was of the compression type, and is historically considered the origin of all refrigeration machines operating on the compression principle.

The compression system of evaporation has been revolutionized since then, and is now by far the most popular.

During the latter half of the nineteenth century many volatile liquids were used as refrigerants experimentally and commercially; such as ether, gasoline, rhigoline, naphtha, ammonia, car-

Digitized by Google

bon dioxide, sulphurous acid, mixtures of ether and sulphur dioxide, etc.

The use of most of these has been abandoned, except perhaps in occasional laboratory work, largely because of their dangerous natures, and the grave possibility of serious explosions, fires and other accidents that might result were they more commonly used.

All volatiles will, of course, boil or vaporize at ordinary temperatures and in so doing they absorb what is known as their latent heat of evaporization or the heat necessary to convert the liquid into vapor.

As heat is necesary to convert water into steam, so also is heat necessary to convert volatile liquids into vapor or gas, though there is a wide difference between the respective amounts of heat necessary.

For instance, the boiling point of water is 212° Fahr., while that of ammonia is 28° below zero, the difference between the boiling temperatures of both being about 240°.

As a pressure is generated at the expansion of water into steam, so also is pressure generated when volatile liquids are converted into vapor.

When volatiles vaporize in open air, the latent heat necessary is taken from the atmosphere and under ordinary conditions its loss and the pressure generated are not felt. But if the vaporization takes place in a closed room, the latent heat will be taken from its contents, and the pressure in the room will gradually rise. When a volatile is vaporized, it is changed from a liquid to a gas, chemically known as ordinary gas.

All ordinary gases can be restored to liquids if relieved of their latent heat of evaporization while under sufficient pressure.

In present day refrigeration the gas is placed under the necessary pressure for condensation in two different ways; one being by mechanical compression, a power compression pump being used to force the gas through a series of iron piping under certain pressure. The other method is sometimes referred to as a chemical process, the pressure being induced by boiling a solution of aqua ammonia at a high enough temperature to expel the ammonia under a pressure sufficient for condensation. The latter method is used in the so called absorption system which will be described in detail later on. In refrigeration practice the latent heat of ordinary gases under pressure for condensation is removed with the use of running water at or below ordinary temperature, the water coming in contact with the surface of the pipes containing the gas.

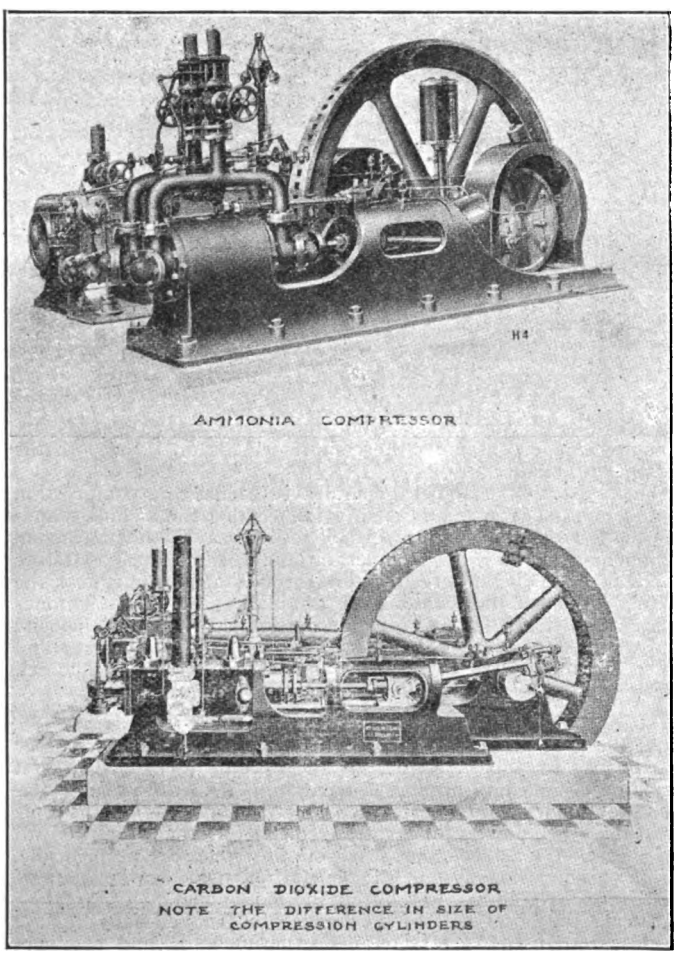


FIG. 2.

THERE ARE THREE VOLATILES COMMONLY USED

as refrigerants at the present time: Anhydrous ammonia NH^3, Carbon dioxide CO^2, commonly known as carbonic acid, and Sulphur dioxide SO^2.

Of the three, anhydrous ammonia is by far the most popular, being used in both the compression and absorption systems. Carbon dioxide is next to ammonia in popularitiy and its use is rapidly increasing in view of its decided advantages over the others as will be seen later on. Sulphur dioxide is little used in comparison with the others being practically confined to small equipments suitable for dwellings, small hotels, clubs, etc.

Anhydrous ammonia (NH^3) or pure ammonia is a colorless irrespirable gas with a disagreeable pungent odor of a highly suffocating nature. It is not inflammable under ordinary conditions, being composed of one part nitrogen, in weight 82.4 per cent. and three parts hydrogen, in weight 17.6 per cent.

The nitrogen gas, the largest constituent by weight, will not burn or support combustion. Hydrogen will burn and has explosive tendencies when properly mixed with oxygen or air. This can only occur when the temperature of the ammonia is raised to or above 900° Fahr., when the gases of which it is composed separate. The hydrogen thus liberated will burn if ignited by spark or flame, and might form explosive mixtures with air or oxygen providing either is present in the proper portion. Some authorities claim that ammonia gas when properly mixed with air will explode, while others claim the reverse. At any rate such a mixture in a refrigerating establishment is a very remote possibility, owing to the fact that ammonia gas is much lighter than air from which its tendency is to separate rather than mix. It has been clearly demonstrated in practice that ammonia in any form under ordinary conditions will act as an extinguisher rather than a supporter of combustion.

Ammonia has a tendency to form inflammable mixtures with oils used in ammonia compressors for lubricating, sealing and cooling purposes. Fires have been caused when such mixtures, liberated by a break at or near the compressor, have come in contact with an open gas or other light in the engine room. Open lights should therefore be prohibited in the engine room of refrigerating plants.

Cylinders of ammonia have been known to explode when exposed to high temperatures, due to the expansion of ammonia when heated.

For this reason cylinders of ammonia should be kept in a cool place, and never left in the boiler or engine rooms where high temperatures are common.

Ammonia will corrode metals composed in whole or in part of brass, copper or nickel, but apparently does not attack iron or steel; therefore iron and steel should be used exclusively in ammonia equipments.

Carbon dioxide (CO^2) is a colorless, odorless gas composed of one part carbon and two parts oxygen. It is incombustible, will not support combustion and has a tendency to prevent explosions when mixed with certain hydrocarbon explosives. It does not attack metals or food products with injurious results, it being commonly used to produce effervescence in mineral waters, beer and other liquors.

It is heavier than air, having a specific gravity of 1.529 as compared with air, and liquefies at 124° below zero.

As a refrigerant it has many distinct advantages over ammonia, as can be readily seen in the above. Its one disadvantage, however, is in the heavy working pressure necessary throughout the system as compared with that of ammonia. This is due to the very low boiling point of CO^2. The working pressure in carbonic acid systems is usually 300 lbs. to 1,000 lbs. per square inch, while that of ammonia systems is 30 lbs. to 250 lbs. in extreme cases, the average being 30 lbs. to 170 lbs. per square inch.

While the working pressure in carbonic acid gas systems is much higher, the cooling action is equally greater. In other words a carbonic acid machine will do six times as much work as an ammonia machine of equal size, therefore the equipment for the same amount of refrigeration is much smaller.

All refrigeration equipments are now so carefully tested before being put in commission that there is little danger of breaks or ruptures due directly to their working pressure. Am-

Digitized by Google

monia systems are usually tested at 500 lbs. pressure, while the maximum working pressure is estimated at 250 lbs. Carbonic acid systems are tested at 2,500 lbs. pressure, while the working pressure seldom exceeds 900 or 1,000 lbs.

Another great advantage the carbon dioxide systems have over those of anhydrous ammonia is in their comparative danger to life in case of an accidental break in the equipment causing the volatile to be released in the presence of employees, or firemen in the event of a break resulting from fire. It is estimated that a mixture of less than 1 per cent. of ammonia in air would prove fatal in less time than a 6 per cent. mixture of carbon dioxide in air.

As ammonia equipments are necessary six times as large as those of carbon dioxide for the same refrigerating capacity, the amount of ammonia in the system would be six times as large.

It can, therefore, be readily seen that the dangers from this point of view are infinitely greater with ammonia than they are with carbon dioxide.

Sulphur dioxide or sulphurous acid (SO^2) is a non-inflammable colorless gas, composed of one part sulphur and two parts oxygen. It is made by burning sulphur in oxygen or dry air and has a pungent suffocating odor. It is soluble in water which will absorb 40 to 50 times its own volume of acid, and has a tendency to extinguish fire.

As its boiling point is 14° Fahr., it is convertible into a refrigerant at a low working pressure; but owing to the bulkiness of its equipments as compared with ammonia and carbon dioxide equipments of equal capacity it is not well adapted to other than small equipments. The chief danger in using sulphur dioxide as a refrigerant lies in the highly corrosive influence it has upon metals when exposed to air, making it almost impossible to maintain tight joints.

THE COMPRESSION SYSTEM

of refrigeration is divided into three sections, namely, the compression, the condensing and the expansion sections.

In order that the cycle of operation be made continuous, these three sections are connected with each other by iron or steel pipes, valves and fitings, the same refrigerant being used over and over again, going progressively through the process of compression, condensation and expansion; additional supplies of the refrigerant being necessary to replace trifling losses as they occur through leaks, etc.

The compression section consists of a compressor which acts as its name implies, compressing gas until it is under pressure of 130 to 170 lbs. in ammonia systems, and 300 to 900 lbs. in carbon dioxide systems, then forcing it through the connecting pipes and fitting to and through the condensing section or condenser, and on to the inlet of the expansion section. While passing through the condenser the gas is converted into a liquid but the pressure is maintained to the inlet of the expansion section. The compressor also maintains a section or back pressure of 25 to 30 lbs. at the outlet of the expansion section where it gets its supply of gas, performing a continuous cycle of operation by drawing the spent or hot gas from the expansion section, compressing and forcing it back through the condenser.

The compressor (see Fig. 2) is not unlike an ordinary air pump in general appearance, with its cylinder, piston, inlet and outlet pipes, valves and etc. They vary in detail, according to their make, but the general result in action is the same. They can be operated directly or indirectly by steam, electricity or any other motive power, steam where available being generally used. There are two distinct types, the single acting, which compresses gas at one end of the cylinder only at every other stroke, and the double acting machine which compresses gas at both ends of the cylinder, compression being done at every stroke.

MANY FIRES HAVE BEEN CAUSED

by accidental breaks at or near the compressor, such as the knocking off of cylinder head, rupturing valves and fittings, and bushing gauges, which allowed the gas charged with a fine spray of lubricating oil to be pumped into the engine room where it was ignited by an open light. In most modern equipments this danger has been practically eliminated by the installation of safety devices, such as spring adjusted cylinder heads in the compressors, and automatic check and relief valves at the glass gauges and other parts where trouble is likely to occur.

In compressing gas, heat is generated. This heat is partly removed in the compressor. Most machines have water jacketed cylinders, the heat being absorbed and carried off by running water in the jacket. Other machines work with gas in a saturated or partly liquified state, the gas absorbing some of the heat of compression. Another method of removing heat in the compressor is by injecting mineral oil into the cylinder at each stroke of the piston, the oil absorbing some of the heat generated. A certain amount of oil, usually a mineral paraffine oil, is injected into the cylinder of all compressors for lubricating and sealing purposes.

In order that refrigeration may be continuous and automatic, certain special valves, fittings and attachments are necessary. Owing to the heavy working pressure, these valves and fittings are bolted together, the seats resting on gaskets made of rubber, paper, lead or other suitable material, to insure tight joints.

It is impossible to prevent some of the oil injected in the compression cylinder from mixing with the gas and entering the refrigeration pipes the presence of which would seriously interfere with the efficiency of the system, if it were not removed.

This is done by an oil trap, placed between the compressor and the condenser which acts as a separator, removing the oil from the gas as it comes from the compressor. This oil trap is a cylindrical shaped device fitted inside with baffle plates so arranged that the gas in passing through to the gas outlet is obliged to take a zigzag course arount the baffle plates on which it deposits the oil. The oil as it accumulates gradually finds its way to the bottom of the trap where it is removed.

AFTER LEAVING THE OIL TRAP

the gas enters the condenser. The condenser's function is to rid the gas of the heat of compression still retained by the gas, and reduce it to a liquid. The temperature of the gas as it enters the condenser is usually in the neighborhood of 200° Fahr. In order to produce condensation the temperature of the gas must be greatly reduced which in conjunction with the pressure maintained by the compressor, causes the gas to liquefy and pass on to the receiver.

There are three common types of condensers in use at the present time, the double pipe, atmospheric and submerged condensers, named in the order of their popularity, each being cooled by running water.

The double pipe condenser consists of coils of double iron pipes one within the other, the inner pipe usually 1¼ inches and the outer pipe 2 inches in diameter. The water passes through the smaller pipe in opposite direction to that taken by the hot gas which is contained in the annular space between the water pipe and the inner surface of the larger pipe. The water entering at the bottom passes out at the top near where the gas enters; the hot gas meeting the warmest water first gradually works its way downward through the condenser pipes, the surface of the water pipe with which it comes in contact gradually getting colder, until the gas becomes saturated and condenses, leaving the condenser in liquid form at outlets at some of the bends and the bottom.

The atmospheric condenser is one probably more conspicuously common because it is usually placed in slatted enclosures or open on the roofs of high buildings. It consists of coils of pipes mounted in an upright position over which water trickles from a perforated pipe or trough located over the top coil. It is called an atmospheric cooler because the air circulating around the coils assists the water in cooling the gas.

The direction taken by the gas and water here are also opposite, the hot gas entering the bottom coil gradually rising as it passes through the coils until it condenses and runs off at outlets provided at the bends of the coils. The water flowing over the coils gravitates to a drip pan or drain.

THE SUBMERGED CONDENSER

is one in which the pipes conveying the gas, arranged side by side are immersed in a tank containing running water. The hot gas entering the coils at the top, condenses and then passes out as liquid at the bottom. Water enters the tank at the bottom, running off through an opening at the top.

A purging cock is usually placed on the top coil of all condensers through which air and other gas condensations can be removed.

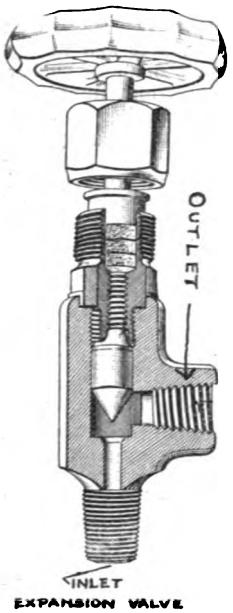
Atmospheric and double pipe condensers are usually 18 to 24 coils high, and 20 feet long. The coils are arranged to drain. In some condensers the liquefied gas is retained in the lower coils, doing away with the liquid receiver.

In most cases, however, a special liquid receiver is used, consisting of a cylindrical shaped iron tank, which receives the liquid from the condenser, supplying it to the expansion chamber or coils as it is needed. Receivers are generally provided with glass gauges showing the amount of liquid they contain. These gauges in modern equipments are provided with automatic check valves which automatically close if the glass is broken, thereby preventing the liquid refrigerant from escaping.

The expansion section of refrigerating equipments is very

Digitized by Google

simple, consisting generally of coils of 2 inch iron piping arranged side by side usually in a horizontal or vertical position. At the entrance of the expansion coils is an expansion valve, which is so constructed as to be capable of very fine adjustment. The expansion valve (see Fig. 3) used in refrigeration is usually of the needle valve type controlled by a wheel on the projecting end of the stem. Some concerns use an automatic expansion valve which is accurately controlled by a patented automatic device.



EXPANSION VALVE

FIG. 3.

As the liquified gas passes through the minute opening in the expansion valve under the heavy pressure maintained by the compressor, and enters the expansion coils where the pressure is never sufficient at the existing temperature, to maintain the gas in liquid form, it immediately vaporizes and and gasifies, absorbing the heat necessary from the substances surrounding the expansion coils.

As the gas forms in the expansion coils, it is withdrawn by the compressor through its suction pipe to be recompressed as before.

There are in general practice three different methods of utilizing the cold thus produced, namely, by direct expansion, brine circulation and cold aid blast. With direct expansion, the expansion coils are placed in the refrigerator or room to be cooled, the heat of expansion being absorbed directly from the contents of the room. This method is very popular, and is generally used when low temperatures are desired. From a fire insurance point of view it is less desirable than other methods because of the damaging effect the ammonia fumes would have on the perishable contents of the refrigerator, and the difficulty fire fighters would have in handling the fire in the event of a break in the piping caused by fire.

THE BRINE CIRCULATING METHOD

is also very popular, especially where higher temperatures are desired. Brine, usually a 20 to 25 per cent. solution is placed in a tank in which the expansion coils are immersed; the brine when sufficiently cooled is forced through pipes in the refrigerator or cold storage room.

When the cold air blast system is used, the expansion coils are usually placed in an enclosure through which there is a constant circulation of air. The air is taken from the room to be cooled by a large fan, forced over the coils and back to the room.

In the direct expansion and brine systems, the refrigerating coils are usually placed side by side on iron racks or hangers at the side or top of room, or in an enclosure with open ends or sides to insure proper circulation over the room. Coils should be properly spaced and kept at least 3 inches from the walls of the room to prevent the frost and ice which collects on the pipes from interfering with proper circulation of air around the pipes. Proper drip pans should be placed under the coils to carry off the drip from melting frost when the system is shut down.

The compression system of refrigeration in this country is largely confined to the use of anhydrous ammonia and carbon dioxide as refrigerants. In principle the systems are alike, the only difference being in the relative size of the compressors, and equipment and the necessary working pressure.

As sulphur dioxide is used in small equipments only, a brief mention here will be sufficient. One type of machine using sulphur dioxide resembles a large dumb-bell in appearance, consisting of two oval shaped chambers connected by a hollow shaft. These chambers are made of a bronze composition, one acting as the expansion, the other as the condensing chamber; the liquid and gas automatically passing from one to the other through the hollow tube.

The lower half of each chamber is immersed, one in running water, the other in brine.

The machine is charged under a vacuum, and the chambers sealed; one charge lasting indefinitely.

In action, the entire machine revolves usually with the assistance of a small electric motor. The sulphur dioxide expanding in the chamber partly immersed in the brine, cools the brine which is forced through pipes in the refrigerator. As the liquid expands into gas it passes through the hollow tube to the condensing chamber where it is cooled by the running water and condensed by two compressors mounted on the shaft passing through the centre of the chamber, and balanced by counter weights.

As the machine revolves the gas is condensed, passing through the connecting tube to the expansion chamber again.

(To be continued.)

How to Read and Criticize Plans from an Insurance Standpoint.

By Charles C. Dominge, Insurance Engineer.

The time is rapidly approaching when the insurance expert will be called into consultation just as soon as the architect is engaged to draw the plans of a contemplated building. The "wise" architect (even today) sends for the insurance engineer realizing that it is better to have his ideas and suggestions before the structure is started, rather than afterward when the "disgruntled" owner starts to kick regarding the exorbitant rate.

The writer from time to time has been asked to formulate a set of rules for fireproof buildings as a guide to architects, builders, mill owners, etc., and while each case should be taken care of individually the following will be of service:

1. All exterior windows on all sides should be protected with "approved" shutters, or, better still, "labeled" wired glass windows in hollow metal frames.

NOTE. The reason that wired glass windows are preferred is because they are more likely to be closed when the fire starts. They serve a double purpose by preventing an exposure fire, also by stopping a fire from leaping from floor to floor on the outside of building.

2. All interior floor openings throughout the building (i. e., stairs, elevators, chutes, dumbwaiters, light or vent shafts, pipe shafts, etc.) should be protected by 8 inch common brick shafts or 6 inch terra cotta or 6 inch concrete shafts with "labeled" fire doors at each opening. In the case of vent shafts, the openings may be protected with approved metal riveted louvres. The windows to the light court can be wired glass "labeled" Where the various pipes pierce the floors they should be stopped with incombustible material.

3. The skylights throughout should be wired glass in metal frames except the skylights which appear over the fireproof shafts in which case the glass should be thin (not over ¼ inch) and a standard wire screen should be erected over the glass. The screen to be No. 12 gauge, one inch mesh, situated 6 inches above and extending 6 inches over the edges on metal stanchions.

NOTE. The reason that thin glass is required over the standard shafts is, should fire occur in the shaft it could speedily break the glass and leave the shaft (chimney fashion) while the screen above would prevent the flying embers (from the adjoining buildings) entering the shaft.

4. All structural steel or ironwork (including beams, girders, etc., piercing shafts) should be protected by at least 2 inches of portland cement concrete or 2 inches of terra cotta. The lower flanges should be protected as above.

5. All floor surfaces should be of incombustible material, preferably cement, and where possible should be provided with scuppers or floor drains to carry off the surplus water.

6. The floor areas should not be over 5,000 sq. ft. In buildings of large area it is advisable to cut off sections with at least 12 inch common brick parapetted walls and place lock-jointed fire doors at the openings on each side of the wall.

7. The height should not exceed eight stories.

8. Wherever any hazardous work (such as enameling, dipping or japanning) is carried on recommend cutting off the enclosures in at least 12 inch common brick side walls, increase the ceiling and floor arches to 12 inches, properly vent the room to the outer air, and place an automatic "labeled" fire door at the opening.

9. The boilers should be placed under the sidewalk or in a one-story brick extension, cut off with a 12 inch brick wall and an automatic lock-jointed fire door at the opening.

10. If the building is to be protected with automatic sprinklers, you can ascertain the amount of water supplies necessary by the following method: Allow 100 gallons of water for each head. Take the number of heads each floor and divide by the number of stories to get the average number of heads each floor (say 150), multiply 150x100=15,000 gallons needed for the gravity tanks and one-half of the gravity supply, or 7,500 gallons of

Digitized by Google

water for the pressure tank. This amount should be increased one-third for air. If all pressure tanks are desired you merely double the capacity of pressure tanks, which in this case would call for two pressure tanks, each holding 11,250 gallons (i. e., 7,500 water, 3,750 air).

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in November.

Number of Fires.	Classification.	Reported Loss.
64	Spreading fires, with omnibus loss	$3,787,000
52	Business buildings, with varied occupancy	1,129,000
14	Lumber plants	815,000
8	Oil plants	560,000
15	Hotels	548,000
6	Miscellaneous warehouses	466,000
21	Miscellaneous mercantile risks	463,000
4	Wholesale grocery establishments	459,000
31	Farm buildings	401,000
17	Miscellaneous manufacturing risks	390,000
4	Railroad buildings	277,000
7	School and college buildings	265,000
3	Suburban dwellings	265,000
2	Leather plants	265,000
3	Shoe factories	255,000
11	General stores	252,000
6	Garages	231,000
3	Theatres	163,000
5	Electric light plants	154,000
1	Tin plant	150,000
4	Cotton warehouses	140,000
6	Grain elevators	130,000
9	City dwellings	91,000
5	Bakeries	81,000
1	Wharf	80,000
3	Flour mills	70,000
3	Department stores	64,000
5	Stables	63,000
3	Tenements	40,000
3	Steamships	37,000
4	Saloons	33,000
2	Cold storage plants	32,000
2	Box factories	31,000
1	Aeroplane storage	30,000
2	Woodworking plants	26,000
2	Apartments	25,000
1	Greenhouse	25,000
1	Music store	25,000
1	Paper box factory	25,000
2	Sanitariums	25,000
1	Scrap rubber plant	25,000
1	Summer resort	25,000
1	Distillery	20,000
2	Shingle mills	20,000
2	Printing plants	15,000
2	City barns	11,000
1	Church	10,000
1	Clothing store	10,000
1	Furniture store	10,000
1	Mine building	10,000
1	Canning factory	5,000
1	Creamery	5,000
	Total	$12,534,000
	Add 15 per cent. for small and unreported fires	1,879,100
	Total	$14,413,100

Total fires reported, 352,
Four of above fires reported as incendiary; loss, $43,000.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

1. Property Covered by Policy—Construction of Contract—Knowledge of Agent.

The policy was issued to cover the stock of a farm implement business, including that in the building and additions adjoining, and that "in yard, and on platform in rear and alley adjoining" the building, where it appeared that insured had no yard room immediately adjoining his building or anywhere except a vacant lot diagonally across the street, and where no inspection was made by the insurance company's agent; a grain separator standing on the vacant lot was included in the policy.

2. Same—Same—Same.

A contract of insurance is one of indemnity, and where loss occurs thereunder the policy will be given the construction which is most probable and natural under the circumstances, so as to attain the object the parties had in making the contract of insurance.

3. Same—Same—Same—Law of Case.

The decision of the Supreme Court on a former appeal as to the admissibility of evidence, so far as applicable on a subsequent trial of the same action, becomes the law of the case on a subsequent appeal to the Court of Appeals.

Judgment for plaintiff in District Court, Denver County, here affirmed in Court of Appeals of Colorado.

GERMAN-AMERICAN INSURANCE COMPANY VS. MESSENGER, 136 Pacific, 478. (November 10, 1913.)

1. Mutual Insurance Company—Contract of Insurance—Liability of Company.

Where on October 11, 1909, a soliciting agent of Mutual insurance company, having limited authority "to solicit said application, * * receive same, together with settlement of premium, investigate property to be insured, prepare diagram, make survey, recommend risk and forward same to the defendant company for acceptance or rejection, but did not have authority to issue policies of insurance," took an application and premium from the plaintiff, gave a receipt for them, and forwarded the application to the company, where it was received October 15, 1909, and the company upon receipt thereof immediately wrote to the agent making inquiry regarding other insurance on the property disclosed in the application, and before reply to that letter was received the property was burned, October 17, 1909, and after the fire the application was rejected and return of premium offered and refused, there was no contract of insurance, and no liability on the part of the insurance company for the loss of the property.

2. Same—Same—Acceptance of Contract.

When the application for insurance is made out and forwarded to the company, for the approval or rejection of the company, it is not yet a contract of insurance, and is then only a proposition on one side, and it requires an acceptance by the other side before it can be said that the minds of the parties have met upon the terms of a contract to insure.

3. Same—Same—Essentials of Contract.

Where application for insurance is made, to constitute a binding "contract of insurance," there must be a meeting of the minds of parties with authority to contract as to the premises and the risk, the amount insured, the term the insurance is to continue and the amount of the premium.

Judgment for plaintiff in District Court, Bryan County, here reversed and dismissed in the Supreme Court of Oklahoma.

SHAWNEE FIRE INSURANCE COMPANY VS. MCCLURE, 135 Pacific, 1150. (June 19, 1913.)

1. Cancellation of Policy—Effect of Direction by Insured.

Where the insured wrote the agent of the company several months after the issuance of the policy and directed the cancellation of the policy, containing the usual cancellation clause, and the agents of the company, instead of cancelling the policy, wrote to the insured concerning the reasons why they were obliged to charge a premium in excess of the first premium agreed upon, and stated that the policy would be cancelled if returned, but not otherwise, it cannot be held, as matter of law, that the letter of the insured operated as a cancellation without action on the part of the company.

2. Same—Meeting of Minds.

Where the defense was cancellation, and the direction by the insured to the agent of the company to cancel the policy had not been followed, but the agent had written the insured regarding the reason for charging a higher premium that the premium originally agreed up, and demanding the return of the policy before cancellation, the finding that the minds of the parties never met on the question of cancellation was upheld by the evidence.

Judgment for plaintiff in District Court, Harris County, here affirmed in Court of Civil Appeals of Texas, El Paso.

NATIONAL UNION FIRE INS. CO. VS. AKIN, 160 Southwestern, 660. (November 6, 1913. Rehearing denied November 26, 1913.)

1. Vacancy of Premises—Waiver of Forfeiture.

Where there was agreement between the insured and the agent of the insurance company, that had insured the property, that if it should become vacant he would attach a vacancy permit to the policy did not constitute a waiver of the forfeiture for a vacancy subsequently occurring, for there can be no waiver of a forfeiture until after the happening of the occurrence that constitutes the ground of the forfeiture.

2. Same—Question for Jury.

On the trial of the action, whether the insured had notified the agent of the company before the loss that the property had be-

Digitized by Google

come vacant and had requested the attachment of a vacancy permit, was a question for the jury.

3. Same—Waiver of Forfeiture—Limitation of Loss.

Where a vacancy permit was not attached to the policy, and the insured was permitted to recover on the theory that the forfeiture because of vacancy without a vacancy permit was waived, he was entitled to recover the full face of the policy, and not three-quarters of the face of the policy, as would have been the recovery if the vacancy permit had been issued, the waiver being of the forfeiture of the policy and not of the issuance of the vacancy permit.

4. Same—Same—Policy in Force.

Where the policy contained a condition for forfeiture in case the premises became vacant, that condition may be waived and, if proper notice of vacancy is given to the company, the policy will remain in force until the insurer takes action to terminate the insurance.

5. Same—Same—Vexatious Delay—Question for Jury.

On the trial, whether an insurance company has been guilty of vexatious delay in making settlement for a loss is a question for the jury only when, from a general survey of all the facts and circumstances in the case, an inference can be drawn that the refusal to pay the loss was unjustifiable and vexatious.

6. Same—Same—Penalty for Delay—"Vexatious Delay."

Where defendant company claimed a forfeiture because of vacancy of premises in violation of condition of policy, and on first trial the insured relied on an oral agreement with the defendant's agent that if the property became vacant in the future he would attach a vacancy permit, and the defendant on appeal was upheld in claim that such agreement was invalid, and on second trial plaintiff was permitted to recover by proving notice of vacancy to the agent prior to the loss and failure of the company to cancel the policy, and the company denied receipt of such notice of vacancy, the failure to settle the loss was neither unjustifiable or vexatious, so as to render defendant company liable to a penalty and for the plaintiffs attorney's fees under statute (Rev. Stat. Missouri, 1909. Sec. 7068) authorizing recovery of penalty and attorney's fees in an action on a policy where company's failure to pay the loss was vexatious and unjustifiable.

Judgment for plaintiff in Circuit Court, Jackson County, here affirmed on condition in Kansas City Court of Appeals, Missouri.

PATTERSON vs. AMERICAN INS. CO. OF NEWARK, N. J.,
160 Southwestern, 59. (October 6, 1913.)

---

1. Rider on Policy—Written and Printed Portion—Statutes of California.

The building insured was used in part for dwelling, in part for carriage repository and in part for automobile repair shop and garage. The policy contained the usual clause as to suspension if the hazard was increased by the assured or there was kept, used or allowed on the premises exceeding one quart each of benzine, gasoline, naphtha or ether, and to the policy was attached a rider containing a description of the property insured and was partly printed and partly written. The printed part of the rider provided: "In consideration of this permit it is warranted by the assured that no gasoline other than contained in the reservoirs of the machines shall be admitted into the building where the machine is permanently or temporarily stabled, if said stable is under the control of the assured." The written part of the rider provided: "All while contained in the two-story and basement brick building, and the three story and basement brick addition thereto attached, occupied as a carriage repository and agricultural implements, dwelling rooms and auto repair shop." An automobile with leaking reservoir was brought into the shop by the owner, the gasoline was removed, the leak repaired, and as gasoline was being poured into the reservoir to test it, the gasoline became ignited and started the fire. Under the statute of California (Civ. Code No. 1651), the written part of the rider prevails over the printed part of the rider, and as the rider in written part declares that the premises are to be used as an "auto repair shop," it must be presumed that the company undertook to insure against all risks incident to the conduct of that business when carried on in the usual manner.

2. Same—Automobile on Premises—Warranty in Rider.

Where, under the statute of California (Civ. Code No. 1654), the warranty in a rider is to be construed most favorably for the insured, the presence on the premises at the time of the fire of several automobiles, each with gasoline in its tank, did not suspend the fire policy.

3. Same—Suspension of Insurance—Increase of risk.

The presence prior to the fire of gasoline on the premises insured, in violation of the policy, that was removed before the fire did not affect the liability for loss, for the policy did not provide that it should be void because of the presence of gaso line, but only that the insurance company should not be liable for loss occurring while the risk was increased by the presence of gasoline in excess of a quart, or in other words suspending the policy because of such presence of gasoline on the premises insured.

4. Same—Reformation of Policy—Mutual Mistake.

The mistake of the agents of an insurance company, or of their clerk, in putting on the renewal policy the old form of rider, instead of the new form, of which latter form the insured did not know, was not imputable to the insured, so as to render the mistake mutual, and so permit of reformation for the company after a fire.

5. Same—Admission by Failure to Deny—Pleading and Practice.

Where, in an action on a policy the plaintiff is not required to prove occupancy of building as specified in the policy, the admission of such fact, by the failure of the answer to deny such allegation thereof in the complaint, was not destroyed by the answer's allegation that the building was also occupied for other and forbidden purposes, that being affirmative matter by way of defense, the burden of proving which was on the defendant.

Judgment for plaintiff in Superior Court, Fresno County, here affirmed in Supreme Court of California.

O'NEILL vs. CALEDONIAN INS. CO.,
O'NEILL vs. AMERICAN INS. CO.,
135 Pacific, 1121. (October 9, 1913. Rehearing denied November 8, 1913.)

---

1. Rider on Policy—Gasoline on Premises—Instruction to Jury—Conformity to Evidence.

The conditions were the same as in the foregoing case (O'Neil vs. Caledonian insurance company). Where an instruction to the jury was proper, that plaintiff's right to recover was not affected by the presence on the premises at the time of the fire of any gasoline which came into the premises in the reservoirs of automobiles, complaint may not be made that the instruction was broad enough to have allowed great quantities of gasoline to be brought into the garage, and then emptied out and stored in the building, as there was no evidence of such practice

2. Same—Negligence of Insured—Liability of Company.

Where the statute (Civ. Code No. 2629) provides that an insurer "is not exonerated by the negligence of the insured, or of his agents or others" an instruction to the jury was proper that the insurer would not be relieved by the fact that the fire occurred through the negligence of the plaintiff or his tenant.

3. Same—Harmless Error—Disregarding Instructions to Jury.

Where the policy permitted the insured to have more than one automobile on the premises at one time, as he had at the time of the fire, the disregarding by the jury of an instruction by the court to the contrary did not make the verdict against law, or, at least, does not require a reversal.

4. Same—Agents of Company—Imputed Notice.

Where the agents of the insurance company had no other con nection with the insured, except that he requested them as agents of the company to issue to him policies of insurance, they were not the agents of the insured so as to require their knowledge to be imputed to him.

Judgments for plaintiff in Superior Court, Fresno County, here affirmed in Supreme Court of California.

O'NEILL vs. UNION ASSURANCE SOCIETY,
O'NEILL vs. LAW, UNION & ROCK INS. CO.,
135 Pacific, 1124. (October 9, 1913. Rehearing denied November 8, 1913.)

---

1. Action Against Railroad Company—Subrogation—Measure of Damages.

Coal mining company took out insurance on a large number of frame dwelling houses situate along the line of defendant's railway, and a number of these houses were destroyed by fire from passing locomotive. The insurance company brought action against the railway company; since the railway company was not a party or privy to the contract of insurance, its liability to the owner of the property or to the insurance company, when subrogated to its right, would not be affected by such contract, and the measure of the railway company's liability to the subrogated insurance company was the actual value of the property destroyed at the time of the fire, and not its insured value.

2. Same—Value of Property—Value of Similar Houses.

On the trial of the action against the railway company for damages for the destruction of some of the houses insured, evidence

Digitized by Google

was admissible as to price for which mining company had sold other houses.

3. Same—Reasonable Value of Property—Instructions to Jury.

In the instructions to the jury the use of the term "reasonable value" on the issue of the market value of propery destroyed by fire, was not reversible error, for the term "reasonable value" has a well known meaning to the common understanding and is of common use in judicial proceedings.

4. Same—Argument on Trial—Conformity to Evidence.

Where the insurance company claimed that the houses were insured at their reasonable value, while the railway company's evidence showed that they were insured at seven times their real value, argument of counsel for the railway company "that there was a nigger in the woodpile," explained by stating that, in view of the gross overinsurance and the prompt settlement of the loss by the insurance company, there must have been some close relationship between the owner of the property and the insurance company, was justified, though the issue of fraudulent overinsurance was not raised on the trial.

5. Same—Offer of Compromise—Statutes of Missouri.

Where the statute of Missouri (Rev. St. 1909, No. 1965) provide that if plaintiff fail to obtain a more favorable judgment than the amount for which the defendant offered to allow judgment to be taken against it, plaintiff shall pay defendant's costs from the time of the offer, the defendant was entitled to have costs taxed against the plaintiff which were incurred after defendant's offer to allow judgment against it for $400 and costs, where the judgment for plaintiff was only for $375.

Judgment for plaintiff in Circuit Court, Randolph County, here affirmed in Kansas City Court of Appeals, Kansas City.

GLOBE AND RUTGERS FIRE INS. CO. vs. CHICAGO & ALTON RAILROAD CO.,
160 Southwestern, 907. (November 17, 1913.)

---

1. Oral Contract of Insurance—Ownership of Property.

Where a preliminary oral contract was entered into between one of the owners of property insured and was completed as to the subject matter, the consideration, duration of the contract and the other terms, and the policy was never delivered before the loss by fire occurred, the preliminary oral contract is held to be good, and it is not rendered invalid by reason of the fact that two other persons owned interest in property insured, where it seems to be practically undisputed that notice of the other interests was given to the agent of the insurance company and that the contract was for the benefit of all the owners.

2. Same—Authority of Representative of Agent of Company.

Where it was claimed that the person with whom the negotiations for the contract of insurance were had was not at that time an agent for the company, but he was acting as representative of another man who was the agent for the insurance company, the former had the same power that the agent in fact could exercise, and any question in regard to his agency in fact really became immaterial.

3. Same—Statement of Facts—Disagreement Between Counsel.

Where there was disagreement between counsel as to the statement of facts, and the certificate of the court shows that, on account of such disagreement, the statement of facts was prepared by him as trial judge, the plaintiff in error can not claim that he did not have a fair statement of facts, and the law does not require the duplicate to be filed with the clerk of the trial court where the cause was tried as a part of the record of the cause.

4. Same—Delivery of Policy—Liability of Company.

Where the parties entered into a complete oral contract of insurance and the company ordered the cancellation of a policy issued thereon the day before the fire occurred, and such policy was never delivered or attempted to be delivered to the insured, the oral contract of insurance was determinative of the liability of the insurance company.

Judgment for plaintiff in Cottle County Court, here affirmed, Court of Civil Appeals of Texas, Amarillo.

AUSTIN FIRE INSURANCE COMPANY vs. BROWN,
160 Southwestern, 973. (November 8, 1913. Rehearing denied November 29, 1913.)

---

1. Iron Safe Clause—"Inventory."

Where insured had conducted a general store, and decided to open another similar store in a neighboring town, and shipped from the first store to the second store certain goods, wares and merchandise, with which, together with some other goods purchased from various wholesale merchants, he commenced business, and retained and kept in an iron safe list of the goods taken from the first store and placed in the second store, together with invoices of all other goods purchased and placed in the second store, and produced said list and invoices on the trial of action, the provision of the policy requiring the insured to take a complete itemized inventory of the stock on hand was complied with by the insured, and the list and invoices of goods, which were made by the insured and treated as an inventory, were an "inventory" within the policy.

2. Same—"Keep a Set of Books."

Where the policy contained the ordinary iron safe clause, requiring the insured to "keep a set of books," it was not necessary for the insured to post his ledger each day if he posted the gross amount of cash sales for the periods between the dates of posting the ledger, though, if he did so, the book containing the items posted to the ledger in gross should have been preserved.

3. Same—Same—"Actually Open for Business."

Where the policy contained the ordinary iron safe clause, requiring the books to be kept in an iron safe at all times when the building was not actually open for business, during the time the store was closed and the doors locked and the proprietor was in another part of the city, so that business could not be done while he was away, the retail store was not "actually open for business."

4. Same—Same—Compliance With Iron Safe Clause.

Where the policy contained the ordinary iron safe clause, requiring the books to be kept in a place not exposed to a fire, which would destroy the building, there was no compliance with the iron safe clause, when the books were kept under the proprietor's pillow at night.

Judgment for defendant in Circuit Court, Hinds County, here affirmed in Supreme Court of Mississippi.

PHOENIX vs AMERICAN CENTRAL INS. CO.,
63 Southern, 346. (November 24, 1913.)

---

1. Mutual Fire Insurance Company—Notice of Assessment.

Where the charter of a mutual assessment fire insurance company, organized under the laws of Virginia, which was made a part of the contract between the parties, provided that each member of the association should be notified of the assessment, at least thirty days before the last day of payment, by mailing such notice to the post office address given by the member in the application for insurance, and that in case of change of address the member should in writing furnish the secretary of the association with his new address and the insured, who was not then living at the old address, had not notified the secretary of any change in address, the fact that the company sent the notice, which it had previously sent on postcards that might be forwarded through the mails, in an unsealed letter which could not be forwarded through the mails, and for that reason the notice was not received will not relieve the assured from a forfeiture of the policy because of non-payment of assessments.

2. Same—Same—Waiver.

Where the charter of the mutual fire insurance company merely required it to give notice of assessments by mail the fact that for the past two years the company had given notice of assessment by postcard, which could be fowarded through the mails, is not a waiver of its rights to give notice by second class mail matter, which could not be forwarded through the mails, as could a postcard.

3. Same—Same—Instructions to Jury.

Where it was contended that the method of giving notice of assessments to the insured was not proper, the instructions to the jury should submit the issue in that form, rather than as to whether the notice should have been given in the manner previously followed.

4. Same—Same—Same.

Where instructions as to necessity for insurer to mail notice of assessment to the insured and as to the liability of insurer where insured failed to give notice of change of address contained correct statement of the law, the court improperly refused to give the instructions requested.

5. Same—Same—Waiver of Forfeiture.

Where after default in payment of assessments a mutual fire insurance company reinstated insured's policy, the reinstatement which came after the insured had discharged a lien on the prem-

Digitized by Google

ises is a waiver of the original ground of forefeiture on account of the lien.

6. Same—Same—Parol Testimony—Admissibility to Vary Written Instrument.

On the trial of the action parol evidence that the written application did not contain some of the terms found therein at the time the insured's agent signed it is not admissible, for it is an attempt by parol evidence to vary the terms of a written instrument.

Judgment for plaintiff in Circuit Court, Clarke County, here reversed and remanded in Supreme Court of Appeals of Virginia.

MUTUAL FIRE INS. CO. VS TURNER,
79 Southeastern, 1067. (November 20, 1913.)

---

1. Action to Recover Premiums—Right to Recover.

In an action by insurance company to recover "short rate" premeium on policy of insurance, whether the insurer can recover on a policy depends on whether the insured authorized its issuance and whether it was thereafter duly issued.

2. Same—Delivery of Policy.

The admitted delivery of the policy of insurance to the agent (if he was the agent) was a sufficient delivery to the principal.

3. Same—Authority of Agent—Cancellation of Policy.

Mere authority of a broker to effect insurance does not authorize him to cancel it, with the effect of making his principal chargeable with the short rate premium.

Judgment for defendant in Municipal Court, City of New York, here reversed and remanded in Appellate Term, Supreme Court, First Department, New York.

AMERICAN FIRE INS. CO. OF NEWARK VS. MINSKER REALTY CO.,
144 N. Y. Supp., 305. (December 4, 1913.)

---

1. Mortgage Clause—Pleading and Practice—When Insured Compelled to Reply to Defenses.

Where the policy of fire insurance provided that loss, if any, should be payable to the mortgagee as his interest should appear, with subrogation to the rights of the mortgagee, and after the commencement of the action by the owner the insurer paid the whole amount to the mortgagee, and by answer the insurer set up the fact of such payment as a complete defense, which, if established, would bar recovery, it was proper to compel the insured to reply to the said defense of payment.

Order of Supreme Court, Albany County, denying defendant's motion to compel the plaintiff to reply, here reversed in Appellate Division, Supreme Court, Third Department, New York.

McARDLE VS. ROYAL INSURANCE COMPANY,
144 N. Y. Supp., 279. (November 12, 1913.)

---

1. Volunteer Fire Company—Paid Fire Company—Rights to Money Received as Tax on Foreign Companies.

The volunteer company of a fire department in a municipality, which continued in active service after the other volunteer fire companies had been disbanded and the fire department had become a partly volunteer and partly paid fire department, is not entitled to all moneys paid by agents of foreign fire insurance companies, to the exclusion of the paid firemen, under the Insurance Laws of New York (Consol. Laws 1909, chap. 28; Laws 1909, chap. 33; sec. 133-5), providing that moneys received as a tax upon foreign insurance companies shall be paid for the use and benefit of the fire department of the several municipalities and that the city chamberlain shall apportion and pay over such moneys to the treasurers of the fire companies which are recognized by the common council.

Judgment for defendant in Supreme Court, Oneida County, here affirmed in Appellate Division, Supreme Court, Third Department.

CARY VS. CITY OF ONEIDA,
144 N. Y. Supp., 57. (November 12, 1913.)

---

1. Subrogation of Insurer—Tourist Fire Policy—Assignment of Claims.

The defendant secured from plaintiff company a tourist fire insurance policy to cover personal effects while traveling in the sum of $1,000 and the policy provided "* * if the insured acquires the right of action against any * * corporation for damage to above-described property, he shall assign or transfer such claims" to the plaintiff upon receiving payment for said loss. Where the effects were damaged by fire in a hotel in London and defendant filed claim for $430, and upon arrival in this country he was paid $280 by the plaintiff's adjuster, and later received, without explanation, from the hotel a check for $300, and plaintiff presented no proof that the payment from the hotel company was for loss by fire, the plaintiff was not entitled to subrogation and therefore was not entitled to recover damages from the defendant by reason of the receipt of the hotel company's check.

2. Same—Same—Judgment Reversed on Condition.

Where defendant had offered to pay to the plaintiff $150, the difference between the total amount received by the defendant and the amount of loss first claimed, and it appeared that the total loss of defendant exceeded the first estimate, judgment of $280 in favor of plaintiff company would be reversed and new trial ordered unless the plaintiff agreed to reduce the amount of the recovery to $150.

Judgment for plaintiff in Municipal Court, City of New York, here reversed and remanded by Appellate Term, Supreme Court, First Department.

PROVIDENCE WASHINGTON INS. CO. VS. YOUMANS,
82 Misc., 433, 143 N. Y. Supp., 941. (November, 1913.)

---

1. Submission of Controversy on Agreed Statement of Facts—Construction of Stipulation.

Where the agreed statement of facts, upon which the controversies are submitted, not only contains no stipulation that the trial or appellate court may draw legitimate inferences of fact, but expressly provides that "unless upon the foregoing facts the defendant must be held as matter of law to have waived compliance on the part of the plaintiffs with the provisions contained in said policy, and contained in the statutes in such case made and provided relative to arbitration and award, judgment shall be entered for the defendant," the court could not draw inferences from the facts stated.

2. Same—Waiver of Arbitration.

Where the policy of insurance, as prescribed by statute (Rev. Laws Massachusetts, chap. 118, sec. 60) provided that in case all a failure of the parties to agree the amount of loss shall be determined by referees, and unless such reference be waived it shall be a condition precedent to an action on the policy, and the statute provides that in case of loss and the failure of the parties to agree as to the amount, the insurance company shall, within ten days after written request appoint referees for arbitration, upon failure of the parties to agree as to the loss, the neglect of the insurer to appoint referees, after receiving letter from the insured, stating that he was ready to proceed under the provisions of the policy, did not establish waiver of the right to reference.

On report from Superior Court, Bristol County, judgment awarded to defendant in Supreme Judicial Court of Massachusetts, Bristol:

VERA ET AL. VS. MERCANTILE FIRE AND MARINE INS. CO.,
VERA VS. MERRIMACK MUTUAL FIRE INS. CO.,
VERA ET AL. VS. MICHIGAN FIRE AND MARINE INS. CO.,
103 Northeastern, 292. (November 25, 1913.)

---

1. Vendor and Vendee—Owner of Property—Cost of Insurance.

Where by the terms of the contract of sale the property was to be conveyed subject to the lien of a certain mortgage, the payment of which the purchaser was to assume, and after the date of the contract the insurance was placed on the property by the vendor, by reason of a demand by the mortgagee for insurance as collateral to the mortgage and of a threat to foreclose the mortgage unless the insurance was supplied, although the mortgage contained no insurance clause, the cost of the insurance is not chargeable to the vendee.

2. Same—Same—Right to Proceeds of Policy.

Where the purchaser of property, subject to a mortgage, entered into possession before conveyance, and the vendor took out insurance on the property and paid the premiums because the mortgagee threatened to foreclose unless that was done, and the loss occurred subsequent to the execution of the contract of sale, the vendee became the equitable owner of the property and the vendor retained the legal title simply as trustee and as security for the unpaid purchase money. By reason of this equitable relation of the parties to a contract of sale of land, money accruing on a policy of insurance, where the loss has occurred subsequent to the execution of the contract, will in equity inure to the benefit of the vendee, the vendor still retaining his character as trustee and the money in his hands representing the property that has been destroyed.

Decree awarding plaintiff part of relief prayed in Court of Chancery, New Jersey.

MILLVILLE AERIE No. 1836, FRATERNAL ORDER OF EAGLES VS. WEATHERBY,
88 Atlantic, 847. (October 24, 1913.)

Digitized by Google

INSURANCE RECORDS OF 1913.

(*Continued from page* 10.)

Death Roll of 1913.

Adams, Marcus W., former president of the Sun Life of Louisville, died at Chatham, N. J., May 30, from heart disease, aged 74 years.

Anderson, Edwin V., liability insurance manager, died at Boston, June 22, from apoplexy, aged 46 years.

Alexander, James A., fire insurance agent at New York City, died there December 3, aged 86 years.

Allen, Lyman S., president of the Mutual Union Life, died at Kansas City, Mo., October 23, from peritonitis, aged 43 years.

Amonson, Louis S., president of People's National Fire of Philadelphia, died at Newton, Pa., from heart failure, April 28, aged 44 years.

Anderson, Edwin V., liability underwriter at Boston, died there June 22, from apoplexy, aged 46 years.

Anderson, John McC., resident secretary at San Francisco of the North British and Mercantile, died there July 20, from heart failure, aged 43 years.

Batre, Lloyd, local agent at Mobile, Ala., died there October 31 from heart disease, aged 52 years.

Betts, Franklin T., formerly president of the Gem City Life of Dayton, Ohio, died August 6 from an automobile accident at Cleveland, Ohio.

Birdsall, George H., fire insurance agent, died at Scranton, Pa., January 28.

Blimmer, A. G., life insurance agent at St. Paul, Minn., died at Dayton, Ohio, March 24, aged 46 years.

Breckenridge, Ralph W., insurance lawyer at Omaha, Neb., died at Des Moines, Ia., from an automobile accident August 8.

Brewer, Graham H., former secretary of the Washington Life of New York, died at South Orange, N. J., August 24, from septic meningitis, aged 48 years.

Brooks, Jordan F., insurance agent at Savannah, Ga., died there April 19, aged 64 years.

Brooks, Fred S., special agent and adjuster at Detroit, died there August 30, from paralysis.

Brown, Joseph S., fire insurance agent at Pittsburgh, died there from uraemic poisoning June 6, aged 66 years.

Brown, Vernon H., insurance financier, died in New York August 5, aged 81 years.

Buckingham, Waite B., local agent at Stevens Point, Wis., died there July 31, aged 76 years.

Burgwyn, W. S. H., insurance agent at Weldon, N. C., died January 4.

Butler, Frederick Warren, New York insurance broker, died at Plainfield, N. J., December 18.

Cadmus, C. A., life insurance agent at Troy, Ohio., died there December 7, aged 70 years.

Callender, Elliott, insurance agent at Peoria, Ill., died in California, November 30.

Campbell, Capt. Alexander F., fire insurance man at Chicago, died there December 23 from paralysis.

Carr. Stephen W., formerly insurance commissioner of Maine, died at Bowdoinham, Me., September 17, aged 73 years.

Caspar, Louis, life insurance agent in New York City, died there July 23 from acute indigestion, aged 49 years.

Chapin, Jos. V., insurance agent at Ogdensburg, N. Y., died there February 17, aged 70 years.

Chelgren, Henry A., special agent at Omaha, Neb., died at Sioux City, Ia., from heart disease. April 4.

Cheney, John W., fire insurance agent at Camden, N. J., died there December 12, aged 78 years.

Clapp, William H., fire insurance agent at Indianapolis, Ind., died there October 28.

Clayton, William L., former insurance commissioner of Colorado, died from suicide by inhalation of gas at Denver, July 23.

Cochnower, Henry W., secretary and actuary of the Guaranty Life of Houston, Tex., died at Cincinnati, O., September 14.

Coles, John Stickler, Jr., life insurance manager, died at Jacksonville, Fla., June 6, aged 57 years.

Colyer, Charles, vice president of the Firemen's of Newark, died at Newark, N. J., November 10, from heart failure, aged 64 years.

Cowles, Edmond B., New England manager of the Royal insurance company, died at Brookline, Mass., from heart failure, April 28.

Creamer, L. F., special agent at Dayton, O., killed by an automobile October 11, near Xenia, Ohio.

Crutcher, E. R., local agent at Kansas City, Mo., died there November 24.

Curry, Edwin M., local agent at Beaumont, Tex., died there January 10. aged 81 years.

Curry, John H., special agent in Kentucky, died at Lexington, July 11, from heart failure, aged 64 years.

Dana, Francis, chief Western department examiner National Fire of Hartford, died at Chicago, Ill., from pneumonia, January 16, aged 55 years.

Day, Alfred H., liability agent at Dorchester, Mass., died there December 8, aged 39 years.

Dean, Perry, fire insurance agent, died at Brooklyn, N. Y., September 27.

Dodd, Amzi, former president of the Mutual Benefit Life of Newark, N. J., died at Bloomfield, N. J., January 22, aged 90 years.

Duncan, Alfred E., president of the Franklin Fire of Philadelphia, died at Overbrook, Pa., December 3, of debility, aged 49 years.

Early, E. R., examiner in the Western department of the National Fire of Hartford, died at Chicago, December 8.

Early, C. C., insurance agent at Cincinnati, died there from pneumonia, April 13, aged 65 years.

Eaton, John F., life insurance general agent, Harrisburg, Pa., died there from cerebral hemorrhage, November 5.

Eustace, John C., fire insurance agent and broker, died at New York City, May 20, aged 47 years.

Farnsworth, Ed. P., fire insurance adjuster at San Francisco, Cal., died there from rupture, March 21.

Faust, Nic., died at Kaukauna, Wis., from effects of a railroad accident, February 2, aged 71 years.

Finney, Walter Braden, special agent in Wisconsin, died suddenly at Milwaukee from acute indigestion, August 19, aged 35 years.

Firman, Warren S., local agent at Rocchester, N. Y., died there November 3.

Flexner, Henry M., life insurance agent at Louisville, Ky., died there following a surgical operation July 12, aged 54 years.

Frank, Harry H., life insurance agent at West Branch, N. J., died there November 17, aged 40 years.

Galles, Walter E., life insurance actuary, died at Albuquerque, N. M., October 23.

Geer, Charles H., fire insurance agent at Lynn, Mass., died there December 13, aged 63 years.

Gough, W. Bennett, secretary of the Arizona Fire, died at Phœnix, Ariz., June 10, aged 53 years.

Greene, Charles P., Indiana life insurance manager, died suddenly June 14, from apoplexy, aged 73 years.

Green, Prof. James Ellis, deputy insurance commissioner of Maryland, died at Baltimore, November 15, from paralysis, aged 74 years.

Grimes, Robert P., secretary of the Liberal Life of Indiana, died at Muncie, Ind., October 11, from apoplexy, aged 58 years.

Groweg, K. F. W., general agent at Salt Lake City, Utah, died there March 6.

Haines, A. M., life insurance general agent at San Francisco, died there November 21, aged 52 years.

Hall, W. L., insurance agent at Guthrie, Okla., suicided there by shooting December 15, aged 38 years.

Halm, George M., president of the Arizona Fire, died at Phœnix, Ariz., December 9, from heart failure, aged 59 years.

Hamilton, William H., life insurance agent, died at San Antonio, Tex., July 10, aged 81 years.

Hammond, L. D., of Fred S. James & Co., Chicago, died there February 11, aged 69 years.

Haney, Joseph G., insurance agent at Youngstown, Ohio, died there November 25.

Hanke, Col. Amos A., life insurance agent at Philadelphia, died there July 14, aged 82 years.

Hardy, Ralph Price, member of the Institute of Actuaries of Great Britain, actuarial writer, died at London, England, February 3, aged 74 years.

Harris, H. C., life insurance general agent at Dayton, Ohio, died there September 29, aged 71 years.

Hart, Ferdinand A., life insurance agent at Hartford, Conn., died there December 2, aged 67 years.

Harvey, Charles I., actuary of the Colonial Life of New Jersey, died at Toronto, Canada, February 20.

Hathaway, A. N., life insurance manager, Fargo, N. D., died there November 2.

Hatch, R. B., insurance agent at Peterboro, Ky., died there June 10.

Hawes, Col. Alexander G., former life insurance agent, died at Honolulu, H. I., December 10.

Hird, Thomas A., Pennsylvania special agent, died at White Haven, Pa., November 5.

Hoffmann, Bert, president of the Arkansas Mutual Fire, died by drowning at Dora, Ark., July 19.

Holt, Irving L., special agent, fire insurance, died at Easthampton, Conn., August 7, aged 63.

Hoxie, John M., insurance agent at Mystic, Conn., died there May 28.

Hubble, John P., Kentucky State agent of the National Fire of Hartford, died at Louisville, Ky., from nephritis, January 19.

Hughes, Benjamin F., editor of the *Insurance Register*, died at Philadelphia, October 23, from cancer, aged 69 years.

Jackman, Lyman, president of the Capitol Fire of Concord, N. H., died there June 23, from pneumonia, aged 76 years.

Jennings, John A., fire insurance agent at Boston, died there August 25, from heart disease, aged 48 years.

Digitized by Google

Jones, C. M., life insurance actuary, died at New York from heart disease, January 5.
Jones, E. C., fire insurance state agent, died at Burlington, Ia., December 12, from accidental gas suffocation, aged 40 years.
Keith, George, local agent at Maryville, Ia., killed by a motor car accident, July 30.
Kelly, Matthew M., insurance agent at Utica, N. Y., died there June 1.
Kennard, William, New York insurance agent, died at Vancouver, B. C., August 28, aged 65 years.
Kinney, John, adjuster, died at Aurora, Ill., August 23, aged 75 years.
Kirtland, James, insurance auditor at Chicago, died there June 21, following a surgical operation, aged 55 years.
Kline, Paul, special agent, died at Pittsburgh, Pa., October 28.
Knox, A. D., superintendent of agents for the Mutual Life at Louisville, Ky., died there February 21, aged 67 years.
Lawrence, Charles H., former secretary of the Phœnix Mutual Life of Hartford, died there September 19.
Lee, Fergus G., fire insurance general agent at New Orleans, died there September 21.
Leeds, Daniel D., formerly secretary of the Hamilton Fire of New York, died at Brooklyn, N. Y., June 5, from heart disease, aged 65 years.
Lauckner, Oscar O., Jr., local agent at New York City, died there November 11, from consumption, aged 23 years.
Lawford, Jasper M., former insurance agent at Baltimore, Md., died there December 16, from pneumonia, aged 71 years.
Little, William F., local agent at Portland, Me., died there December 11, from pneumonia, aged 67 years.
Lokie, John, life underwriter at Detroit, died there September 22, aged 82 years.
Lotz, Frederick W., Western manager of the Westchester Fire, died at Chicago from an accident, March 31.
Luper, George B., former insurance commissioner of Pennsylvania, died at Meadville, Pa., November 15.
Martin, P. B., special agent at Springfield, Ohio, died there May 18, aged 65 years.
Martin, Louis Henry, president of the Rough Notes Company of Indianapolis, Ind., died at Cincinnati, Ohio, from pneumonia, April 26.
Masseck, Joseph S., insurance agent, died at Somerville, Mass, January 3, aged 75 years.
Maury, I. M., local agent at Atlanta, Ga., died at Hampton Springs, Fla., November 19.
McAdams, Lucius, life insurance actuary, died at Chicago, Ill., March 31.
McCully, Asher S., company adjuster at Philadelphia, died there August 8.
McEntee, Judge Girard L., insurance agent at Rondout, N. Y., died there June 1.
McKeen, Henry, Sr., insurance agent at Easton, Pa., died there from pneumonia, February 25, aged 61 years.
McSween, Dr. J. F., fire insurance State agent, died at Memphis, Tenn., December 18, from heart disease, aged 68 years.
Merriam, Charles E., life insurance agent at Schenectady, N. Y., died there February 8.
Messenger, Dr. Hiram J., actuary of the Travelers, died at Hartford, Conn., December 15, aged 58 years.
Miller, Simon P., industrial life insurance superintendent at Oklahoma, died at Des Moines, Ia., October 23, from appendicitis.
Montgomery, George W., fire insurance agent in New York, died December 23, aged 74 years.
Morrill, William S., oldest agent of the New York Life, died at Summerville, Mass., March 3, aged 85 years.
Morris, William W., formerly secretary of the Mutual Life of Kentucky, died at Louisville, Ky., from pneumonia, March 3, aged 70 years.
Murray, Michael, assistant treasurer of the Equitable Life of New York, died at Atlantic Highlands, N. J., September 20, aged 64 years.
Newman, George L., holder of oldest active life policy in the Mutual Life, and oldest surviving life policyholder in the United States, died near Charlottesville, Va., October 11, aged 98 years.
Norton, John T., life insurance agent at Denver, committed suicide there by shooting, October 13.
Oathout, John M., insurance commissioner of Arkansas, died at Bonneville, Ark., June 20.
Overgne, Henry, assistant secretary of the Prudential Life, died at Newark, N. J., June 17, aged 42 years.
Peltier, Charles F., insurance agent at Detroit, died there August 7, from apoplexy, aged 69 years.
Pitkins, H. E., state agent in Wisconsin, died at Atlantic City, N. J., February 15.
Register, I. Layton, life insurance general agent, died at Philadelphia, September 29, from heart failure, aged 71 years.
Reynolds, W. L., general agent of the German-American, died at Atlanta, Ga., January 17.
Rice, Windsor V., secretary of the oCntinental Life of Salt Lake City, Utah, died at San Diego, Cal., January 5, aged 68 years.
Roberts, Thomas R., agent at Seattle, Wash., died in Arizona, March 4.
Root, Joseph Cullen, founder of the Woodmen of the World, died at Hendersonville, N. C., December 24, aged 69 years.
Sanderson, A. G., general agent at Berkeley, Cal., died there March 8.
Saunders, Sherman, president of the Commonwealth Life of Omaha, Neb., died there July 13, aged 49 years.
Saunders, P. E., local agent at Harvard, Ill., died there July 11, aged 77 years.
Schneider, Karl U., insurance agent at St. Joseph, Mo., died there November 14, from heart disease, aged 36 years.
Schumann, Hugo, president of the Germania Fire of New York, died at Brooklyn, N. Y., June 12, from heart disease, aged 71 years.
Seay, William E., life insurance agent at Shreveport, La., died there March 2.
Searcy, Eugene T., insurance agent at Minonk, Ill., died there from apoplexy, July 10, aged 43 years.
Shepard, Charles G., fire insurance manager at Chicago, died there November 16, from pneumonia, aged 61 years.
Skilton, DeWitt C., former president of the Phœnix Fire of Hartford, died at Hartford, Conn., December 26, aged 74 years.
Smith, Allard J., Wisconsin surety agent, died at Milwaukee, June 21, from pernicious anaemia.
Smith, G. F. C., manager for the Liverpool and London and Globe for Canada, died January 14, aged 53 years.
Smith, James E., fire insurance general agent, died at Hartford, Conn., December 1, from Bright's disease, aged 63 years.
Smith, Stephen M., assistant treasurer of the Mutual Life of New York, died at New York from Bright's disease, May 11, aged 47 years.
Sparhawk, R. Dale, life insurance agent at Philadelphia, died at Bay Head, N. J., September 24.
Sutton, George Haviland, insurance agent, died suddenly at Springfield, Mass., August 19, aged 73 years.
Taylor, L. H., insurance solicitor at Cordele, Ga., died there suddenly June 20.
Templeton, John W., Chicago, fire insurance agent, died at Bloomington, Ill., July 13.
Tharp, Major Joseph L., agent at San Francisco, died there July 8, aged 76 years.
Tillotson, William L., New York local manager for the Niagara Fire, died at Rockville Centre, L. I., from pneumonia, March 20.
Underhill, Dr. W. W., life insurance medical examiner at San Francisco, Cal., died at Berkeley, Cal., from heart disease, January 5, aged 44 years.
Underwood, Charles R., died at La Fayette, Ind., from grip, March 4.
Vandervoort, George B., died at Tonawanda, N. Y., from acute indigestion and heart failure, February 6.
Vernor, Frank A., fire insurance State agent at Detroit, died there December 13, following an operation, aged 55 years.
Virchow, John, Illinois State agent for the Prussian National at Aurora, Ill., died at San Antonio, Tex., from pneumonia, March 11.
Wachtel, Philip B., local agent at Petoskey, Mich., died there November 14, from tuberculosis of the stomach, aged 62 years.
Warburton, Wilmot A., fire insurance agent at Brooklyn, N. Y., died there December 11, from kidney disease, aged 51 years.
Ward, Jacob Ewing, second vice president of the Prudential Life of Newark, died at New York July 30, aged 61 years.
Watkins, E. J., casualty insurance agent at Louisville, Ky., died there December 15.
Weinhold, Joseph, fire insurance agent at Jackson, Miss., died there July 14.
Weiss, V., insurance agent at Beaumont, Tex., died there August 6, aged 68 years.
White, Henry W., fire insurance adjuster at Chicago, died there June 23, aged 60 years.
Wildman, J. G., assistant secretary of the New England Mutual Life, died at Boston, December 13, aged 73 years.
Windmuller, Louis, founder of the German-American insurance company of New York, died at Woodside, N. Y., October 8, aged 78 years.
Winfree, John W., life insurance special agent at Richmond, Va., died there July 30, from heart disease, aged 67 years.
Williams, George C., life insurance manager at Boston, died there July 28.
Williams, Paul Ernest, formerly second vice-president of the Union Central Life, died at Chattanooga, Tenn., November 25.
Woodford, Stewart J., general counsel of the Metropolitan Life, died at New York City February 16, aged 77 years.
Woodruff, Timothy L., former president of the Provident Savings Life, died at New York October 12, from paralysis.

Miscellany.

NATIONAL BOARD TO INVESTIGATE CLASSIFICATION.

The executive committee of the National Board of Fire Underwriters has appointed a committee to consider the advisability of preparing a uniform system of classification of fire risks and losses, as follows: E. G. Richards, chairman; C. H. Coffin, J. H. Stoddart, F. C. Buswell, H. A. Smith, C. D. Dunlop, George W. Babb. This follows a strong recommendation from vice president Richards on the subject, which we reproduce herewith:

To the Executive Committee and Members of the National Board—

In times past it has not been within the recognized province of the vice president to present to the board or its executive committee formal report or recommendation, but because of my interest in its work—both as an underwriter and an officer of the board—I ask your indulgent consideration of the views and recommendations which are here presented, believing that the National Board (truly national in its scope and purpose) is the one organization which is best fitted for developing certain branches of fire underwriting science in the United States.

There are some problems in our business of fire underwriting the solution of which must rest necessarily with the individual, while others belong to the body politic and require the combined consideration and conclusive judgment of many. Much has been accomplished by underwriters and their experts in securing uniformity of methods, but much more remains to be done of even greater importance. To the work of fire prevention and the reduction of the fire waste in the United States the National Board of Fire Underwriters is firmly pledged, and every department of the board is already more or less directly employed in this work.

In the formulation of standards of fire prevention and extinguishing appliances, also of building construction, remarkable progress has been made by this board, but in certain other directions nothing has yet been attempted, and I now have particularly in mind the standardizing of fire hazard classification and of rating schedules, because the need of national standards of each has become urgent.

Present as well as possible future demands upon the insurance companies by State authorities are too well known by you to require from me their enumeration, and whatever we may think as individuals concerning the desirability or value of combined classified experience of the stock fire insurance companies, or the practical use to which it could be applied (and though the disturbance of present methods of the individual company which a change to one uniform system would cause, the expense of combining same suggesting a probable cost almost insurmountable), I am now satisfied we must meet the issue, though still of the opinion that such information would have little or no value in the making of rates under existing systems of rate-making.

Emerson once wrote that "a weed is something the virtues of which have never been discovered."

I believe the time has arrived when the companies, through the national board, should definitely settle the question whether the classification of fire underwriting experience is a weed the virtues of which are undiscoverable or a valuable plant possessing virtues hitherto unknown. Furthermore, the demand for some clear and understandable exposition of rate-making methods must also be met. Present rating methods are scarcely the same in any two States, every rating organization having its schedules more or less different from every other. To what organization than this can we or others look for a solution of these problems when this board is so well adapted to perform such service?

I am not proposing that the functions nor the supervision of rate-making shall be undertaken by the National Board, but I do believe it is the peculiar privilege as well as duty of this board to undertake the preparation and adoption of some national standard of rate-making. Such work should either follow or go hand in hand with uniform and combined classification of underwriting experience, an essential part of which would be the collaboration of losses, including all necessary information concerning same which the States now require to be furnished by the individual companies.

Each company doing business today in twenty-eight out of forty-eight States is required to furnish State by State a detailed list of its losses occurring therein, some States requiring monthly and others more or less frequent reports, but such reports are not now made upon a uniform basis or blank and the information thus furnished, valuable as it would be if reported ton one head and in a uniform manner, is of little use to State or company. This requirement has become an expensive burden upon the companies and it is not likely to decrease; on the contrary, such reports will presumably in the near future be required by every State.

In this situation it may well be a subject of careful consideration by the members of the National Board whether such reports should not be made to the board that the information so obtained of all claims throughout the United States upon the stock companies may be systematically compiled and made of great value to them, not only for statistical purposes but as data for a fire record and a reference bureau of claimants. There is little doubt that the various States now requiring lists of the companies' losses would welcome such united effort upon the part of the National Board members and as a substitute for the present numerous and conflicting requirements consent to some form of joint report from the National Board to each State on behalf of all of its members.

It has been a hope of mine for many years that a system of rate-making might be discovered which should be founded upon classified experience. The absence of such a system of rate-making, truly scientific in the sense that it is based upon and springs from known facts of experience and susceptible of demonstration as to its correctness by means of that experience is responsible for many inaccuracies and discriminations unjust to both company and assured.

A State insurance official recently remarked:

"If fire insurance officers would answer satisfactorily how and why present rates are made and would show even approximately that rates in our country are equitable as between classes of insurers or between localities or States, there would be no State interference with fire insurance business. It is the marked inequalities, inconsistencies and unreasonable discriminations of rates and methods in various States of this nation that have caused and have justified State regulation." Here you have the "look in" of a State official.

How then are we to meet these conditions in a way to solve the problem of rate making, in order that the soundness of our methods may be provable and rate making be taken out of the hands of the theorist, the inexperienced and the politician in no less degree than are the rates of the life companies. This subject which I now bring to your attention is not a simple one, nor can it be presented in a few words, but that it may have the attention which it requires, I wish to submit the following for consideration:

I recommend the appointment of a committee of seven to consider and report as early as practicable upon the following propositions:

First.—The preparation of a standard form of classification of fire hazards for the United States.

Second.—The preparation of a plan for reporting to the board all risks written in the United States by its members; such plan to require a report only of amounts written with their classification. (A report of premiums would be valueless for cost of rate making purposes.)

Third.—The preparation of a plan for reporting to the board all losses sustained by its member in such form as will enable the board to properly classify same for statistical purposes, also to enable the board to report to the fire marshal or other State authority of those States which now require loss reports from the individual companies, full loss reports for all its members after some uniform plan.

Fourth.—Such committee to also report, if possible, some feasible plan for schedule rating founded upon the combined classified experience of its members, which shall be national in its scope and justify general recognition as a conclusive and scientific system.

Fifth.—The report of the committee, if approved by the executive committee, to be submitted to the next annual meeting with due recommendations for a continuance and development of the work under the charge of a new department to be known as the actuarial bureau committee to consist of seven members, officers of companies.

Respectfully submitted,
E. G. RICHARDS, Vice President.

A Plan to Aid Medical Science to Prolong Human Life—Periodical Examinations of Individuals by Expert Physicians.

The following important announcement has been made by Prof. Irving Fisher, of Yale University:

With ex-President Taft as chairman of its board of directors and Colonel Gorgas as consultant in sanitation and hygiene, a Life Extension Institute was incorporated in New York December 29, 1913.

It is a unique corporation—the business basis of a philanthropy—its express purpose being to lengthen human life by applying modern science. It will perform this service both for life insurance companies and for the general public by examining periodically the physical condition of policyholders and other individuals, and by disseminating life-saving knowledge.

The first large life insurance company to make use of this new service is the Metropolitan of New York.

The directors of the new institute include ex-President Taft, Harold A. Ley, the originator of the plan; Prof. Irving Fisher, of Yale; E. E. Rittenhouse, of New York, and other prominent men.

The president of the institute will be E. E. Rittenhouse, now conservation commissioner of the Equitable Life Assurance Society, who as president of the Provident Savings was the first insurance executive to give policyholders free health examinations to promote longevity. The treasurer will be Harold A. Ley. The secretary will be James D. Lennehan.

Digitized by Google

Dr. Eugene Lyman Fisk, a well-known writer and worker in hygiene, who has had much experience in this kind of work, will be medical director.

A HYGIENE REFERENCE BOARD.

The institute has a hygiene reference board of nearly a hundred leading experts on various subjects pertaining to health. The purpose of this board is to help determine the truth on hygienic questions referred to it. The chairman of the board is Prof. Irving Fisher, of Yale, who was among the first to interest life insurance companies in the possibilities of lengthening human life. The board also includes Dr. Lee K. Frankel, head of the extensive social service of the Metropolitan, and many other technical experts in scientific hygiene.

The idea of forming the institute originated with Harold A. Ley, a well-known business man of Springfield, Mass. The purposes and field of the institution were recently discussed at a dinner in New York City attended by the presidents of the five largest life insurance companies. Among the speakers on this occasion were ex-President Taft and Colonel Gorgas.

THE METROPOLITAN LIFE TAKES PART IN THE PLAN.

Following this meeting the Metropolitan Life insurance company, one of the largest companies represented, made an agreement with the institute for periodical health examination of its policyholders. This is the first of the large companies to adopt this plan.

The method to be used to prolong life is very simple, and the same as applied to ordinary machinery—inspection and repairs. Any person, whether as a policyholder in a company which employs the institute or as an outside individual, may have an expert examination made of his physical condition. If he is entitled to the examination as a policyholder he has it without cost to himself.

After the human machine has been inspected the individual will be advised to see his family physician, who will be furnished a full statement of the results of the examination—high blood pressure, or whatever the disability or disabilities may be. Dr. Fisk, on the basis of his experience in this work for the Provident Savings and the Postal Life, is convinced that the simple early discovery of slight "impairments," which would induce the impaired man to consult his doctor before it is too late, has greatly reduced the death rate among those who had the good fortune to take the examinations.

The institute will carry on this health conservation work of the Postal Life insurance company, which has for several years extended the privilege of a yearly health examination to its policyholders without cost. Arrangements with other companies are under consideration.

The institute will employ experts throughout the land to act as medical examiners and to co-operate in this new movement to prevent and to check disease. It will charge a small fee for its work, and the persons who furnish the capital with which to start this institute have agreed that two-thirds of any profits which there may be beyond 5 per cent. on the capital invested will be devoted to extending its public usefulness.

SCOPE OF THE INSTITUTION.

The institute plans to make arrangements not only with life insurance companies but with schools, industrial establishments, clubs and individuals, as well as to co-operate with hygienic agencies and movements of all kinds, including those connected with the tuberculosis movement, the social hygiene movement, the eugenics movement, the public health departments, Federal, State and municipal, and even popular gymnastics and sports. It will establish laboratories in the larger cities for analysis of blood, urine, etc., of the persons examined. Its central office will be at 25 West Forty-fifth street, New York City.

Insurance Legislation.

Mississippi.

JACKSON, January 1.—The Legislature will convene January 6. Senator Potter will introduce a workmen's compensation bill patterned closely after the New Jersey law. The Hobbs bill, to promote compulsory investments by life insurance companies, may be introduced by another sponsor, as Mr. Hobbs is now on trial in Vicksburg on a charge of accepting a bribe. It is believed that some legislation of this character will be accomplished. Taxation legislation is unlikely, but inter-insurers and reciprocal exchanges will have attention, as they have for many years escaped taxation or supervision.

New York.

ALBANY, January 1.—Senate bill 50, to put the approval of workmen's compensation insurance premiums in the hands of the Insurance Superintendent has been disapproved by Governor Glynn. He said the language of the bill was too ambiguous, and that there might be a judicial controversy as to whether or not the word "association," as used in the bill, would not give the Insurance Superintendent power over the rates to be used by the State fund.

South Carolina.

COLUMBIA, January 1.—Correspondence between Governor Blease and Insurance Commisisoner McMaster on the subject of compulsory investments has just been given out. The Governor asked for information as to what ought to be done, and the following paragraph from Mr. McMaster's reply shows its tone:

Under present conditions, due to the fact that South Carolina has been particularly active in this matter and that a number of other States have not been at all active, it seems likely that a number of these companies will not only invest their full South Carolina reserves in South Carolina securities, but will do more. Indeed, one or two of the largest companies have already invested more in this State than their South Carolina reserves. Therefore, since the passage of a compulsory investment bill would cause the State to lose certainly more than $40,900 in revenue, and since the companies which would withdraw from the State (supposing there are twelve) hold probably $20,000,000 of South Carolina reserves, and these companies would then cease to invest in South Carolina, it seems to me that instead of pressing compulsory investment legislation it would be better to propose passing a law increasing taxation on those companies which did not invest, so as to either cause them to invest or to offset the loss in revenue which the State now suffers by reducing the license fees on companies which make investments in this State.

Opening Dates.

The legislatures of the various States will convene as follows: Kentucky, January 6; Maryland, January 7; Massachusetts, January 2; Mississippi, January 6; New Jersey, January 13; New York, January 7; Rhode Island, January 6; South Carolina, January 8; Virginia, January 14.

A special session starts in Ohio early in January.

OUR direct contract system places the Company in absolute touch with the individual agent, consequently merit is recognized. Several good openings are available for men who have had experience in handling men and developing territory. Are you interested?

Pittsburgh Life & Trust Co.

Home Office, Pittsburgh, Pa.

W. C. BALDWIN, President — HOWARD S. SUTPHEN, Director of Agencies

Digitized by Google

NORD-DEUTSCHE
INSURANCE COMPANY

OF HAMBURG, GERMANY.

ESTABLISHED 1857

Assets January 1, 1913		$882,862.76
Liabilities	" "	362,931.16
Surplus	" "	519,931.57

U. S. BRANCH, 123 WILLIAM ST., NEW YORK

J. H. LENEHAN, UNITED STATES MANAGER

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1911

Total Assets,	$8,781,315.14
Capital Stock,	750,000.00
Net Surplus,	2,460,931.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
59 John Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

SECOND EDITION!
LIVE ARTICLES ON SPECIAL HAZARDS

In response to repeated requests for copies of Volumes 2 and 3 of this popular fire insurance work, the publishers are preparing a second edition which will be ready for delivery in a few weeks. Order your missing numbers now.

TABLES OF CONTENTS

VOLUME I.

Cotton Mills.
Clothing Factories.
Soap Factories.
Metal Workers.
Paint and Varnish Factories.
Brickyards.
Patent and Enameled Leather.
Candy Factories.
Breweries.
Fur Industry.
Storage Warehouses.
Theatres.
Tobacco Factories.

VOLUME II.

Tobacco Industry.
Flour Mills.
Cabinet Factories.
Garages
Fireproof Buildings.
Sugar Refineries.
Paper Mills.
Hotels.
Hat Factories.
Printing and Allied Trades.

VOLUME III.

Tanneries.
Woolen Mills.
Shoe Factories.
Rubber Factories.
Piano Factories.
Celluloid Manufacture.
Automobiles.
Laundries.
Forms, Company's Standpoint.
Forms, Brokers' Standpoint.
Organization of Insurance Companies.
Oils, Fats and Fires.
Wood Distillation.

VOLUME IV.

Use and Occupancy Insurance (Two articles).
Paper Box Factories.
Storage of Newspaper Stock.
Oils and Volatile Solvents.
Paint Factories.
Grease, Oil, Paint and Tar Fires.
Paint Industry.
Rubber Reclaiming Industry.
Ladies' Collar Supporters.
Woodworking Plants.
Toy Manufacture.
Shingle Mills.
Cooperage Industry.
Celluloid Dangers.
Iron Galvanizing Plants.
Common Electrical Hazards.
Electric Car Houses.
Dry Goods Stores.
Sprinkler Efficiency.

Volumes 3 and 4 are fully illustrated

PRICES, SINGLE VOLUMES, $1.05. PER DOZEN, $10.00

COMPLETE SETS (4 volumes, $4.00). THREE SETS FOR $10.00.

THE WEEKLY UNDERWRITER

EIGHTY MAIDEN LANE, NEW YORK

Digitized by Google

New England Mutual Life Insurance Company

87 Milk Street, Boston, Massachusetts

ALFRED D. FOSTER, President

SEVENTIETH ANNUAL STATEMENT

According to Actual Market Values December 31, 1913, as fixed by the Massachusetts Insurance Department

ASSETS.	
Bonds and Stocks	$35,389,183.00
Real Estate: Home Office Buildings	1,230,003.19
Other Real Estate	671,029.15
Loans on First Mortgage	14,161,234.00
Loans on Collateral Security	223,000.00
Loans on Policies and Premium Notes	9,991,872.94
Interest and Rents, due and accrued	828,346.64
Net Outstanding Premiums	568,996.40
Cash in Banks	696,368.21
Total	$63,760,033.53

LIABILITIES.	
Reserve at Massachusetts Standard	$57,931,525.32
Death and Endowment Claims Reported and Awaiting Proofs	304,416.53
Reserve for Unreported Death Claims	41,612.00
Reserve for Equalization of Mortality and Depreciation of Assets	300,000.00
Premiums and Interest paid in advance	61,259.45
Commissions and Expenses Accrued	46,151.94
Insurance Taxes, payable in 1914	150,314.43
Distribution of Surplus Accrued	482,176.33
Distribution of Surplus Apportioned December 31, 1913, payable in 1914	1,865,000.00
Total	$61,182,456.00
Net Surplus, Massachusetts Standard	2,577,577.53
Net Surplus, New York Standard	4,986,246.53

Increase in Premium Income	$512,968.76
Increase in Gross Income	677,660.17
Increase in Gross Assets	2,341,635.54
Increase in Policy Reserves	3,613,485.45
Increase in Insurance in Force	20,200,598.00

NEW YORK CITY OFFICES:

Edward W. Allen, Manager, 200 Broadway; Lathrop E. Baldwin, Manager, 141 Broadway; Charles H. Strauss, General Agent, 200 Fifth avenue.

Parker & Hinkley, General Agents, White Building, Buffalo, N. Y.; Henderson & Mann, General Agents, Cutler Building, Rochester, N. Y.; Henry P. Wickes, General Agent, Union Building, Syracuse, N. Y.

The Mutual Benefit Life Insurance Company

OF NEWARK, NEW JERSEY

1845 FREDERICK FRELINGHUYSEN, President 1914

TRANSACTIONS OF 1913

INCOME.	
Premiums	$23,936,471.37
Interest and Rents	7,644,346.22
Profit and Loss (Balance)	26,979.66
Income Taxes withheld at Source	41.67
Total	$31,607,838.92
Supplementary Policy Claims	658,960.94
Total	$32,266,799.86

DISBURSEMENTS.	
Death Claims	$6,823,408.82
Endowments	1,764,574.00
Annuities	159,146.46
Surrendered Policies	3,510,009.34
Dividends	4,841,610.65
Total Paid Policyholders	$17,098,749.27
Taxes, Fees and Licenses	569,855.56
Insurance Expenses (excluding Taxes)	3,217,288.19
Investment Expenses (excluding Taxes)	293,830.05
Premiums on Bonds Purchased	63,231.25
Reduction in Book Value of Real Estate, including Home Office Building	83,586.14
Total	$21,326,540.46
Supplementary Policy Claims	330,803.12
Total	$21,657,343.58

Excess of Income over Disbursements added to Policyholders' Fund $10,609,456.28

ASSETS.	
Cash on Hand and in Banks	$1,435,151.91
Loans on Collateral	3,250,000.00
Bonds, Par Value	43,357,340.71
Real Estate Mortgages	80,379,853.15
Real Estate	3,184,836.30
Loans on Policies	30,660,518.43
Interest due and accrued and other assets	5,596,867.43
Total Assets	$167,864,567.93

LIABILITIES.	
Reserve Fund	$151,141,903.00
Other Liabilities	4,443,219.14
Regular Dividends Payable in 1914	4,308,947.77
Special Dividends Payable in 1914	861,789.55
Contingency Reserve Funds: Suspended Mortality Fund, $3,762,332; Dividends Equalization Fund, $121,990.12; Security Fluctuation and Real Estate Depreciation Fund, $3,224,386.35	7,108,708.55
Total	$167,864,567.93

On Basis of Market Values:

Security Fluctuation and Real Estate Depreciation Fund	$1,554,661.36
Total Contingency Reserve Funds	5,438,983.48

INSURANCE ACCOUNT.

Issued and Revived in 1913	36,288	Policies, Insuring	$88,430,542.00
In force December 31, 1913	282,236	Policies, Insuring	677,991,660.00
Increase in insurance in force during year	18,260	Policies, Insuring	43,421,380.00

Paid to and Invested for Policyholders in 1913, in excess of Premiums Paid by Policyholders, $4,162,094.73.

The expenses incurred in obtaining the new insurance of the year amounted to only 84 per cent., and the Total Insurance Expenses to only 68 per cent. of the amount allowed by the insurance law of the State of New York.

Net Rate of Interest Earned on Invested Assets (Par Values) 1913, 4.77 per cent.

A full report of the year's business will be mailed upon request to the Home Office or to any agent.

Digitized by Google

DIRECTORS

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, FEBRUARY 7, 1914. No. 6.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

A BILL has been introduced in the Kentucky State Senate to prohibit the owners of automobiles from obtaining insurance against liability, and physicians and dentists against the injurious effects of practice. The reason given for this kind of prohibition is that reimbursement by insurance for the cost of motor accidents and malpractice encourages carelessness and indifference by the insured. If he is an automobilist, he will be less mindful of overspeeding when he knows that he is secure against pecuniary damages, and if he is a doctor he will cut up his patients or drug them with less fear of the consequences to himself. On the first glance there may seem to be some plausibility in these claims, but reflection will show that all insurance carries with it the element of heedlessness to the incautious and encouragement to the wickedly disposed. The first will run unnecessary risks of life, accident and fire and the second will make his insurance materialize in time of need. Legislation of the kind proposed in Kentucky should have in view non-applicability to persons of established reputation.

THE shrinkage in the market value of securities during last year is the subject of comment in most of the current insurance company notices and should be taken into consideration in the observation of the annual statements. As an improvement in values has already begun and will undoubtedly continue, the companies are entitled to credit from that source in estimates of condition. The difference between 1913 and a few months hence will be very large. In making his annual report, President Damon, of the Springfield Fire and Marine Insurance Company, speaks of the late decline as "unprecedented," and in alluding to the causes, says that they "are many and are not merely national, but worldwide. To rehearse even a portion of them would prove tiresome. I think we . . . have every reason to believe in a recovery in market values as great, if not as speedy, as the shrinkage has been." In this inspiring view of the immediate future by a competent judge, all should agree. It speaks well for the stability of the insurance business that there were so very few breakdowns during the late ordeal.

WITH last week's issue the WEEKLY UNDERWRITER separated of necessity from its mechanical surroundings of many years past and is produced this week by absolute strangers to its pages for the first time since its establishment. The plant which has for a considerable number of years printed this paper and the other publications of this office, has passed into other ownership and has been discontinued. The history of its employés is quite remarkable. Seven men who assisted in the publication of the paper had done so for a quarter of a century or more. They were John Hallihan, the veteran proofreader; Charles Bishop, foreman; Robert H. Lockwood, in charge of copy; John Scanlan, foreman of the job room; Franklin Pierce Waters, a job compositor; James Coughlin, linotype operator, and William A. Hickey, utility man. Katharine Lynch, proprietor of the bindery, had worked on the paper for thirty years, and Mrs. M. A. Towle, proofreader, had eighteen years to her credit. Another veteran, John Jennings, died three years ago after a service of twenty-seven years. Some of the men entered the shop as boys and have never known any other place of employment. The scene attending the closing up of work on the paper by these faithful employés was quite unusual and may easily be imagined. The dismantling of the plant having already started, there was some confusion, and this paragraph will perhaps explain one or two regrettable errors in the last issue. From now on the paper will be published from the printing plant of the Burr Printing Company, located at Frankfort and Jacob Streets, which is a concern of seventy-seven years' standing with a wide reputation for first-class work. After the successors to the veterans have become familiar with the details of the task the paper will, it is promised, take on an improved appearance.

IN a somewhat flighty letter of considerable length, the Insurance Commissioner of South Carolina has appealed to President Wilson to use his influence for Federal supervision of life insurance. Not that the commissioner believes in abandoning State control of insurance, but he thinks that the national government should use its power in some way to prevent the enrichment of certain geographical centers—like New York, Newark, N. J., Philadelphia, Hartford and Boston, which contain the headquarters of most of the great life insurance companies—at the expense of outlying communities. The Texas case is cited as an illustration. The companies have withdrawn from that State because it required investments of assets therein, and have "delightfully" invested their funds in other States. No allusion is made to the reason why company managers feel it to be their duty to invest the policyholder's money where it will produce the largest returns, but as the President is a New Jersey man, hailing from the enriched center, perhaps he

Digitized by Google

knows all about that, and remark therefore is superfluous. The Commissioner says:

So mighty have these life insurance companies in the centers named become that it is almost hopeless to expect, to any extent, the development of local institutions, except in such States as Texas and Wisconsin, from which these large companies have withdrawn. Their voraciousness for new business is so great, their means of securing it so powerful and frequently so insidious that local institutions are wellnigh strangled in their birth.

How Mr. McMaster proposes to empower the Federal Government to force the life insurance companies to invest any part of their assets in outlying communities, irrespective of the profitableness thereof he does not describe, but apparently he has overlooked the decisions of the Supreme Court of the United States that the general government has no control whatever over the insurance business. It seems, therefore, that the commissioner might put his time to better use than in making such hopeless invocations. It is remarkable to what extent the idea of government supervision over the affairs of men, even over their sports, is being pushed. If these reformers succeed we shall live in a Socialist congregation certainly. It is announced from Albany that a bill has been introduced in the legislature there for State supervision of baseball. The State is to receive five per cent. of the gross receipts from the ball playing and a State Commission of three members, to be appointed by the Governor, shall supervise the games and the sale of tickets. State supervision of natal deliveries will come next.

Fire Insurance.

The **withdrawal of the fire insurance companies from Kentucky,** if the legislation favored by the State Rating Board is effective, is predicted by the *Insurance Field,* which says:

The State Board is going to take away all power from the companies, double their taxation and reduce the rates by the easy method of passing a law. It will be a very daring company that will stay and hold a ticket in such a lottery. O buttercups and daisies! and the sweet, sweet days of innocence and politics yoked to business! Property owners and local agents will be heavy sufferers unless they can do something.

In this connection the Louisville Board of Trade has adopted the following resolution and protest:

WHEREAS, The Louisville Board of Trade has in the past taken an active interest in the matter of fire insurance rates for the city of Louisville and State of Kentucky, and was instrumental in molding public opinion to such an extent as to make possible the enactment of the present law regulating fire insurance in this State. And, whereas, it has come to our knowledge that a certain bill has been introduced into the House and Senate, namely, Senate Bill No. 109 known as the Glenn Bill, by which practically arbitrary power for making fire insurance rates in this city and State has been given to the State Insurance Board.

And, whereas, the Louisville Board of Trade believes that the present State fire insurance law is amply sufficient for all practical purposes, and that the enactment of another law, giving the State Insurance Board the arbitrary power to make fire insurance rates would result in the withdrawal of the fire insurance companies from doing business in this State, as they did in Missouri, thereby creating a condition that would soon become intolerable to all persons and enterprises to whom fire insurance is a necessity.

And, whereas, the inability to place fire insurance on the part of the citizens of our city and State would result in a serious financial loss or ruin to them in the event of fire, and in many cases the withdrawal of credits from our business enterprises by the banks.

Therefore, be it resolved that the Louisville Board of Trade earnestly protest against the enactment of the said laws as being unnecessary and hostile to the business interests of and the development of business enterprises in our city and State, and we ask and urge our Senators and Representatives to vote against said bill and to use all lawful means to prevent it becoming a law.

The Insurance Society of New York reports the following **additions to its library** during January:

Workmen's Accident Compensation and Insurance in Belgium, Norway, Sweden and Italy. H. G. Villard, 1913.
Standard Insurance Directory, 1913-1914.
World Almanac and Encyclopedia, 1914.
Fire Insurance Law. Edward R. Hardy, 1914.
The Agency. J. B. Kremer, 1913.
Efficiency. Practical Lessons in Life Insurance Salesmanship. Forbes Lindsay, 1913.
Conquest of Fire. Semi-centennial memorial, New York Underwriters Agency, 1914.
Hayden's Cyclopedia of Insurance in United States (Fire), 1911-1913.
Industrial Accidents, Compensation and Prevention. C. M. Hansen, 1913.
How Insurance Companies Use the Addressograph, 1913.
Insurance Institute of Yorkshire. Report, 1912-1913.
Insurance Institute of Liverpool. Transactions, 1911-1912.
Boston Board of Fire Underwriters. Handbook, 1913.
Law's State Chart, 1914. Harrison Law.
Association of Life Insurance Presidents. Proceedings annual meeting, 1913.
Fire Underwriters Inspection Bureau (Pacific). Annual reports, 1913.
New York State Department of Labor. Annual Report Bureau of Labor Statistics, 1912.
New York State Association Supervising and Adjusting Fire Insurance Agents. Proceedings annual meeting, 1913.
National Fraternal Congress. Proceedings annual meeting, 1913.

Number of visitors during January, 148.

The Anglo-American Reinsurance Company is **being organized in Chicago** to take over the Central National Fire. The plans have progressed to a point where announcements of a definite nature have been made. Willis S. Herrick, of the general agency of Herrick & Auerbach, is to be a director, and will be made president; Frank M. Rice, manager of the Central National, is to be secretary; R. H. Folsom, of New York, representing the important Mund and Fester interests of England, Russia and Germany; C. P. King, of Allerton, Greene & King, of Chicago, and Frank R. Thompson, a surplus line broker, are also to be directors. The organization of the company is in the hands of S. H. Boynton, who organized the Southwestern Surety Company. The capital proposed is $1,000,000, in $25 shares, to be sold at $50 to provide an adequate surplus. The company will specialize on reinsurance.

In no way exempt from the generally prevailing adverse investment conditions, the **Massachusetts Fire and Marine** makes a highly **creditable showing for 1913.** In the face of a shrinkage in security values of $35,009.79, the company increases its assets $31,919.19, adds $99,797.49 to its reinsurance reserve, and enjoys an increase of premium income of $100,780.20. The net surplus is $288,613.48, which is a decrease from last year, but the large increase in reserves more than offsets it. The total assets of the company are now $1,369,776.13. Everett C. Benton is president of the company; the vice-presidents are James J. Storrow and Walter B. Henderson, and the secretary and managing underwriter is Walter Adlard.

The report of the engineers who have inspected the **buildings of the Panama-Pacific Exposition,** presented to the executive committee of the National Board of Fire Underwriters last week, shows that in the main the original plans for the fire protection of the buildings have been carried out. The most serious defects are the non-installation of automatic sprinklers in Machinery Hall, the failure to eliminate open spaces under the floors of all buildings except one, the failure to spray fire-retardant paint inside the buildings, the limiting of the water supply and the changing of numerous details designed to make the buildings more fireproof. It is probable that the rate on the buildings will not be quite as low as the promoters had expected when their original promises were made.

The engineers of the National Board of Fire Underwriters have made a **report on Texarkana,** Ark.-Tex., in which they say, in part:

Digitized by Google

In the principal mercantile district buildings are low and small and the principal street is of good width, but the fire department, though efficient, is slightly undermanned and lacks equipment, the water supply is inadequate and overhead wire obstructions serious; there is great likelihood of serious block fires, which at time of high winds would make the conflagration hazard for the district as a whole moderately high. At the individual manufacturing plants severe local fires are probable, and under adverse conditions a conflagration might develop in adjacent neighborhoods. The residential districts are mostly of frame construction with shingled roofs, and the inherent flying-brand hazard is increased by the insufficient water supply.

The **Insurance Society of New York** has announced that the date for the spring dinner and meeting will be March 24th, the place and speaker to be announced later. On March 19th Thurston C. Cuyler, resident engineer of the New York City Department of Water Supply, will lecture on the Past, Present and Future Conditions of the Croton Watershed Supply. Next Tuesday afternoon J. H. Howland, an engineer of the National Board of Fire Underwriters, will speak at the library at 5.15 o'clock on "City Inspections of the National Board," under the auspices of the Round Table Order.

The experience of 1913 added emphasis to the "tried" in the familiar title of the **Glens Falls Insurance Company,** but it emerged with flying colors as usual with a depreciation in net surplus of only $167,405. This, in a total of $2,818,200, is not large, especially when total admitted assets of $5,523,704 are considered. The company has grown steadily since its establishment in 1849, and it is recognized as one of the dependable institutions of the country. J. L. Cunningham is president, R. E. Little is vice-president, J. L. Whitlock is second vice-president and E. W. West is secretary.

The **Insurance Federation of Ohio,** whose membership is composed of the representatives of all branches of insurance, held a meeting and enjoyed a banquet at the Hollenden, at Cleveland, January 29th. About 150 members were present, and President W. S. Diggs presided. Harry L. Davis, of Cleveland, was toastmaster. Among the speakers was Insurance Superintendent Moore. It was announced that a canvass will be undertaken at once for a State membership of 10,000, and the State will be districted, with a local organization in each district.

Mississippi promises to roll up another **record-breaking fire loss ratio.** From the reports of sixteen companies forwarded to the insurance department up to February 2, the loss ratio is 74.3 per cent. Mississippi is one of the few remaining States having the valued policy law in force, and the only State having this clause covering household and kitchen furniture, and, in the opinion of underwriters, as long as a law remains upon the books whereby a person can profit by a fire, then so long will the loss ratio be excessive and the cost of insurance high.

The **appointment of three women inspectors** was announced this week by Fire Commissioner Adamson for fire prevention work in New York City. They are Miss Juliette Arden, No. 6 West Ninety-first Street; Miss Charlotte I. Stollberg, No. 417 West Fifty-fourth Street, and Miss Deborah V. Sabsovich, No. 799 Jennings Street, the Bronx. They will, it is expected, be more successful in enforcing the laws against smoking and against the locking of factory doors than some of the men inspectors have been.

The investment record of the **Hartford Fire,** which has just issued its **104th annual statement,** reflects the bad condition of security values, but its underwriting results show the same steady progress that has made the company sound and stalwart. The figures are published in another column and should be carefully read. R. M. Bissell is now president of the Hartford, and associated with him are Vice-Presidents Whitney Palache and James Wyper, all highly qualified fire insurance men. There is no reason to fear for the Hartford.

A bill providing for the **regulation of fire insurance rates,** by State supervision, is being prepared for the next session of the North Dakota legislature. Insurance Commissioner Taylor says:

I believe there should be created by the legislature, a board somewhat similar to that of the railway commissioners, which shall have the power to investigate the rates charged by insurance companies, and adjust those which appear excessive. At present the only investigations that can be made under the North Dakota laws are in regard to the financial condition and the legality of the methods of the various companies doing business in this State.

The New York Underwriters' Agency announces the promotion of Fred. C. White, heretofore superintendent of the Special Risk Department, to be executive assistant; of R. M. Bennett, heretofore manager of the Western office of the Improved Risk Department, to succeed Mr. White, and of Walter Maillot, heretofore State agent for Missouri, to succeed Mr. Bennett. The General Agents, A. and J. H. Stoddart, in making these announcements are highly eulogistic of the appointees.

At the annual meeting of the Board of Fire Underwriters of the **Boston metropolitan district** the following officers and governing board were elected: James Gould, of Chelsea, president; C. Fred. Pierce, of Cambridge, vice-president; T. H. Raymond, of Cambridge, secretary and treasurer; Fred. I. Robinson, of Waltham; John J. Ahern, of Cambridge; Edward A. Binney, of Somerville; Charles W. Sewall, of Waltham, governing board.

The Mississippi insurance department has licensed the following **inter-insurance organizations** to transact business in Mississippi: Lumbermen's Indemnity Exchange, Kansas City, Mo.; Manufacturing Lumbermen's Underwriters, Kansas City, Mo.; Lumbermen's Underwriting Alliance, Kansas City, Mo.; Lumbermen's Manufacturing Inter-Insurance Association, New York City.

The **Western Sprinklered Risk Association,** at its annual meeting in Chicago on Tuesday, elected the following officers: President, A. D. Baker; vice-president, Walter D. Williams; secretary, Fred. A. Rye; treasurer, Colonel E. G. Halle. The reports showed an increase of business during the year as well as the elimination of a number of undesirable risks.

The **Missouri Commission** to investigate fire insurance conditions, appointed by the governor, held its first meeting at Cape Girardeau, January 26th. There was a large attendance of persons interested, and Insurance Superintendent Revelle delivered a speech on fire insurance. Other speakers advocated insurance by the State. The Commission is now on a two weeks' tour and will visit a number of places, winding up with Hannibal.

The Home of New York led in **fire insurance premiums on the Pacific coast** for 1913, with a total of $1,450,684, and a loss ratio of 49 per cent. The other companies exceeding a million dollars in premiums are the Fireman's Fund, $1,443,026, loss ratio 50 per cent.; the Royal, $1,223,922, loss ratio 56 per cent., and the Ætna, $1,050,609, loss ratio 41 per cent.

The **Connecticut Fire** has made arrangements to enter the agency of James B. Ross, in New Orleans, who is also manager there for the Yorkshire, Palatine, Sun of London and Sun Underwriters' for Louisiana and Mississippi. The deal was made by President Milligan with the consent of the other companies in the office.

Digitized by Google

The annual **report of the Ohio State fire marshal,** just submitted to Governor Cox, shows 4,936 fires during the year, with an aggregate loss of $8,017,626. Of these, 103 fires were due to incendiaries, causing $126,059 loss. Seventy-one convictions were secured out of 126 arrests, 35 cases being still pending. Nearly 3,000 inspections were made during the year.

The **Assureds National Fire of Chicago** is **tied up by an injunction** secured by Insurance Superintendent Potter of Illinois, who has found that the $10,000 capital of the company was money borrowed to make a showing and secure a license. The case will be argued in May. The petition asks that a receiver be appointed.

Two **fire prevention** meetings are to be held **in Missouri** in February in connection with Insurance Superintendent Revelle's campaign against the fire waste. One is to be held at Sedalia on February 17th, and the other at Booneville on February 28th. Local fire prevention associations will be organized in both places.

The **Cleveland National Fire** has elected the following officers: Hyman D. Davis, president; Arthur L. Garford, first vice-president; E. H. Turner, second vice-president; Carroll L. De Witt, third vice-president and managing underwriter; John Bommhardt, treasurer, and O. T. Brown, secretary.

With the exception of Pennsylvania, Ohio, Wisconsin, Cook County, Ill., and the metropolitan district of New York, the **Western Fire of Pittsburgh** has disposed of all its outstanding liability to the Williamsburgh City Fire and will confine its operations to the territory mentioned.

A Providence, R. I., shoe dealer whose store had been planted with an arson outfit of the latest *Collier's Weekly* gasoline type, was arrested this week, discovery of the scheme having frustrated a fire in the block where eight tenants were living.

The **Fire Underwriters' Association of Utica,** N. Y., has elected the following officers for 1914: Stuart F. Day, president; W. Harry Floyd, vice-president; John T. Evans, treasurer; A. D. Jones, secretary.

The business of the **Western Adjustment Company** for 1913 was $272,310,572, as compared with $230,867,736 in 1912. Barring the Ford case at Vandalia, the cost of adjustment per case was materially reduced from that of the previous year.

The **Worcester Mutual** Insurance Company of Worcester, Mass., has elected Roger F. Upham, for many years secretary of the company, to the presidency. Harry Harrison has been appointed to the vacant secretaryship.

The **Glens Falls** has adopted a **pension retirement plan** for employees who have served the company twenty years or more. The retirement age for men is 65 years and for women 55 years.

In the celebrated **Eutaw hotel case** at Baltimore the United States Circuit Court of Appeals has decided that the North River must pay the claim, which resulted from a fire in 1912.

The **California Fire** has elected E. T. Niebling president, succeeding W. E. Dean, who was made vice-president. This company was recently acquired by the Commercial Union.

The **National Lumber** Insurance Company, which recently reinsured its outstanding liability, will do a conservative reinsurance business through Crum & Forster.

A **Wisconsin warning** that the anti-rebate law will be strictly enforced, especially as to interest on premiums after sixty days, has been issued to Wisconsin agents.

The New York Insurance Department will seek legislation giving a greater **control of public adjusters.** The present law, it is asserted, does not go far enough.

The Liverpool and London and Globe denies the silly rumor of a connection with the recent insurance of the Brooklyn Rapid Transit line by Lloyds, London.

Resolutions of protest against proposed fire insurance legislation in Kentucky have been adopted by the Henderson Commercial Club.

The **rerating of the State of Arkansas** has been completed by the Arkansas Actuarial Bureau. There are 172 cities and towns now rerated.

At Buffalo, N. Y., the **Seneca Fire Insurance Company** is in process of organization. The president will be John F. Hastings.

The Globe and Rutgers **has entered Canada,** with J. W. Binnie as Canadian manager, with headquarters at Montreal.

Announcement is made of the resignation of Arthur W. Pettit, Deputy State Insurance Commissioner of Oklahoma.

The Millers' National Fire has **reinsured** its St. Louis business with the Royal, and will discontinue writing there.

The **Vulcan of New York** has resumed business in New York City and will likely soon operate again elsewhere.

Chicago agents are objecting to the $100 membership fee proposed as a part of the expense reduction plan.

The Seneca Fire of Buffalo has **received its New York license.** It has capital and surplus of $200,000 each.

Farm insurance rates in northern Illinois have been increased slightly owing to recent heavy losses.

The Commercial Fire has **withdrawn from Alabama.**

Life Insurance.

An address on **"Life Insurance History, Methods and Results"** was given by Frederick L. Hoffman, statistician of the Prudential, at the initial meeting of the life insurance course inaugurated by the University of Pittsburgh in co-operation with the Pittsburgh Association of Life Underwriters, at Pittsburgh, on Monday. Mr. Hoffman presented briefly the salient facts of life insurance history, methods and results. He directed attention to the practical value of a thorough understanding of the fundamental facts of life insurance history, illustrated by many striking examples derived from the experience of life insurance companies of this and other countries. He said that the business of life insurance had attained to enormous proportions, but that the annual growth of the business was far from being proportionate to the corresponding growth of population and national wealth. The outlook for the future was, therefore, encouraging that much better individual results could be secured by life insurance agents thoroughly trained in the principles of the business and thoroughly familiar with the facts of insurance experience. In conclusion the speaker referred to the modern agitation for

Digitized by Google

social insurance, with observations upon the German system of compulsory insurance, the recent British act providing for national life insurance, the Italian act providing for a State monopoly, and the laws enacted in Washington and Ohio, establishing State systems of workmen's industrial accident insurance.

The Insurance Department of Utah having been asked for a ruling on **dividend estimates** in participating life insurance, Commissioner Done has made public a statement on the subject, of which the following is a part:

Dividend illustrations are permitted in Utah because participating insurance, which is recognized as a desirable form, could scarcely be written in competition with non-participating business, without dividend illustrations. Yet there is always a strong temptation for agents to over-estimate future dividends, in competition with non-participating companies or other participating companies. This constitutes misrepresentation under section 48 of the insurance code. The difficulty of enforcing this provision consists in the fact that it is impossible to determine in advance what the dividend on a certain policy will be. Hence it is generally impossible to convict the agent of such misrepresentation until long after the act has been committed. The ruling of the department is that only schedules of current annual dividends, actually paid by the company itself, can be used in illustrating the annual dividend policy. These must not go back to the time when policies were written on a less liberal surrender basis, but must be taken only from policies exactly similar in this and other respects to those the company is now writing.

The financial statement of the **Union Central Life** Insurance Company for 1913 is one of the most interesting of the year. Over $50,000,000 of new insurance was paid for during the year, increasing the total in force to $375,000,000. The payments to policyholders and beneficiaries were approximately $9,250,000. The ratio of actual death losses to the expected was but 50.69 per cent., which with over $8,000,000 of rejected applications is evidence of careful selection of insurance risks on the part of the company. Another remarkable fact is that the total earnings from the invested assets were sufficient to pay all death claims and matured endowments and then to contribute three-quarters of a million dollars to surplus. The gains for the year were as follows: Insurance, $27,413,541; assets, $6,047,075; statutory reserve, $5,118,407; premiums, $902,585; interest and rents, $305,407; surplus, $639,850. President Jesse R. Clark and the other officers of the company have reason to be very proud of the record.

Notwithstanding the year 1913 was very trying for mercantile, manufacturing and transportation corporations, and business generally, it was one of progress for the **Security Mutual Life** of Binghamton, N. Y., which made increases over the year 1912, with respect to business written, business paid for, total business in force, assets, surplus, reserves, dividends returned to policyholders, money set aside for deferred dividends and in rate per cent. in interest earnings; while the company experienced a lower death rate than the preceding year. The cost of collecting premiums has declined from $28,964.84 in 1907 to $7,014.20 in 1913, although the volume of premiums has increased very largely during that period. The company is being ably managed and is growing rapidly, as it deserves.

In an opinion filed yesterday, Judge H. F. Rice, of the Tenth Circuit Court of South Carolina, has declared that the Insurance Commissioner of South Carolina **cannot be sued in his individual capacity for an official act,** and that no cause of action will lie in the absence of an appeal from the decision of the Insurance Commissioner and a reversal of his judgment by a higher court, showing that he had transcended his jurisdiction. The decision grew out of a case in which suit was brought by W. E. Henry, a life insurance agent, against the Insurance Commissioner, the Carolina Insurance Company of Columbia and other parties joined, in which $50,000 damages was asked because of the revocation of his license by Insurance Commissioner McMaster.

A further statement on the **effect of the income tax** through life insurance upon men of small means has been made by President Darwin P. Kingsley, of the New York Life, who said:

Our income tax is the only one I know of, in the world, under which the money paid by a citizen for life insurance is not deducted in making up his income tax returns. This feature of the law is perhaps no more barbaric than the other feature which taxes the net income of life insurance companies. Of course, whatever money the State taxes in this way comes out of the pockets of the policyholders. It can come from no other source in a mutual company. The average policy, in one of the great companies at least, is only $2,000. This indicates clearly that the average policyholder has an income materially less than $3,000. Under the professions of the income tax such men are exempt, but under its practices all are taxed if they have been so foolish as to protect their families with life insurance.

An interesting exhibit of a year's work is given elsewhere in this issue in the **eighth annual report of the Philadelphia Life.** This company now has $24,166,212 insurance in force on a paid-for basis, with no death losses due and unpaid. During 1913 it paid in dividends to policyholders $66,756.11. With assets of $3,708,128.53, a reserve of $2,763,700.55, and a surplus to policyholders of $744,217.77, this company is well equipped to meet competition in 1914. The record is a credit to the officers who direct the work of the company, and to a loyal and active agency force.

The 1913 **annual statement of the Travelers'** Insurance Company is stupendous, as usual. New life insurance was paid for amounting to $56,328,107, increasing the total in force by $35,854,992 to over $316,000,000, while accident and health premiums of $4,944,690 and liability and workmen's compensation premiums of $8,135,482 swelled the total premium income for the year up to $22,418,013. The total assets of the company are $87,767,387, or $10,722,228 more than the total reserves and all other obligations. It is a wonderful record.

At the annual meeting of the **Life Underwriters' Association of Rochester,** N. Y., Farley J. Wittington was elected president; William J. Bott, first vice-president; Frank Palmateer, second vice-president; E. C. MacDowell, secretary, and W. C. Chubb, treasurer. There will be a joint banquet of the Buffalo, Syracuse and Rochester associations held at the Rochester Club this evening, at which President Clark of the National Association will be the principal speaker.

The compulsory investment bill introduced by Representative Brown, a farmer from Tippah County, in the Mississippi legislature is understood to stand **little show of getting past** the insurance committee. Who handed the document to Mr. Brown has not been ascertained. It is the prevailing opinion that he did not originate it. None of the Mississippi life insurance men favor it, so far as can be learned.

The directors of the **Standard Life Insurance Company** of Pittsburgh at the annual meeting last week elected John C. Hill president in place of J. Warren Lyttle, who declined a re-election on account of a pressure of personal business. The newly elected president has been with the company since the beginning as its treasurer. The other officers were re-elected.

A report by George T. Clarkson, the official liquidator at Toronto, Can., is to the effect that extravagance and heavy stock-selling expenses were the **causes of the downfall of the Union Life of Toronto.** Criminal proceedings have been started against four men connected with the enterprise, one of whom is said to be in Paris.

Officers were elected as follows by the **Delaware Association of Life Underwriters** at the annual meeting at Wilmington on January 27: James F. Price, New England Mutual, president;

Digitized by Google

W. W. Knox, Penn Mutual, vice-president; Charles B. Palmer, National Life, secretary; Jeremiah McDonagh, Equitable Life of Washington, treasurer.

The **Knoxville, Tenn., Life Underwriters' Association** at its annual meeting on January 24th elected the following officers: J. N. Ellis, president; W. B. Henderson, first vice-president; J. V. Rymer, second vice-president; George F. Harrison, secretary and treasurer.

The Milwaukee general agency of Harry S. Fuller for the Northwestern Mutual Life has **led all the other agencies** of the company for new business in 1913, that being the sixth consecutive year of leadership. The production amounted to $4,250,000, with premiums of $135,893.

The directors of the **New England Mutual Life** have elected Frank D. Partridge, who has been assistant superintendent of agents, and Morris D. Capen, of the agency department, assistant secretaries of the company—both very worthy promotions.

The **death rate for New York City** during the week ending January 31st was slightly higher than for the corresponding period in 1913, according to the Board of Health, the figures being 15.21 and 13.98 per 1,000 of population, respectively.

The **General Agency Association of the Equitable Life** has organized two teams consisting of members in various parts of the country to compete for new business during 1914. E. A. Woods and C. J. Edwards head the opposing teams.

The **Shenandoah Life** Insurance Company, with $500,000 capital, is being promoted by Colonel John T. Boone at Roanoke, Va., who was the organizer of the Pan-American Life at New Orleans.

Denial is made by E. L. Tanner, named as one of the plaintiffs in an action to have a receiver appointed for the State Life, of Rome, Ga., that he authorized the use of his name in the suit.

Casualty Insurance—Surety Bonding.

One of the companies whose efforts in 1913 have been well rewarded is the **New Amsterdam Casualty Company** of New York, and it is safe to say that every agent and broker in the business will regard the figures of this company's report with interest and admiration, largely on account of the cordial personal relations which have always existed between the home office officials and the field force. Thus is it again exemplified that the element of personalty is a potent factor in the upbuilding of an insurance company, and may be regarded as a business-producing asset. The New Amsterdam's figures speak for themselves. On December 31, 1912, the company had assets amounting to $1,346,586.01. At the close of business December 31, 1913, this figure had been increased by $63,124.81, so that the new statement shows total assets of $1,283,461.20. These consist of real estate, $41,258.25; stocks and bonds—of the best selection—$793,556; first mortgages on real estate, $178,500; accrued interest, $9,458.67; gross premiums in course of collection, $185,774.52; and cash, $138,038.57. On the other side of the ledger are reserves for all undetermined claims and losses, as required by the stringent law of New York State, $231,039.49; a reinsurance reserve of $440,235.12; a reserve for accrued commissions of $45,053.04; a reserve for accrued taxes of $9,572.74; and other liabilities amounting to but $3,464.55. In nearly every instance these liabilities are less than at the end of 1912. Thus the company enters upon 1914 with a net surplus of $217,221.07, a gain over that item in 1912 of $109,310.35, or more than 100 per cent. With its cash capital of $400,000, there stands a surplus to policyholders of $617,221.07. A remarkably fine record. But service, above all else, is the watchword of successful casualty insurance these days, and in this the New Amsterdam stands nobly to the fore. Up to January 1, 1914, it had paid losses amounting to $4,491,897.12, demonstrating its reliability and loss-paying power. This company has justly earned the confidence of insurance brokers and agents, and is reaping its reward. William F. Moore is president, J. Arthur Nelson, vice-president, and George E. Taylor, secretary.

Progress and careful executive management are the apparent watchwords of the **Massachusetts Bonding and Insurance Company,** whose **annual statement** appears in our advertising section this week. With a steadily increasing premium income and assets which show a gain of $665,837.50 during 1913, notwithstanding the decline in securities, and an increase in reserves, the bulwark of every rightly managed casualty company, the Massachusetts Bonding enters 1914 with flying banners, ready to meet all honest competition. The record of the premium increase is interesting. Premiums written, less cancellations and reinsurance, in 1909 amounted to $524,856.42; in 1910, $668,156.98; in 1911, $819,154.28; in 1912, $2,099,866.22, and in 1913, $3,184,763.84. It will be observed that the surplus has apparently decreased during the year just closed, but it should also be noted that in computing the liabilities in this statement liberal allowances have been made to provide not only for the known and estimated liabilities, but likewise to provide for all unknown and undetermined obligations, and to this end $150,000 has been set aside as a "Voluntary Reserve for Contingencies." Had this amount not been included as a liability, this statement would have shown a surplus of $493,507.89, or an increase of $37,954.22 during the year—and this notwithstanding a decrease of $31,847.27 in the market value of our investments during 1913. President T. J. Falvey and his co-workers have made a fine record.

Announcement of an elaborate programme for the **mid-winter meeting of the Detroit Conference** at Milwaukee on February 25th and 26th is made by President Reinhold R. Koch. The entertainment will be limited to a smoker, at which Editor C. I. Hitchcock, of the *Insurance Field,* will preside. The addresses at the business sessions are to be by O. B. Ryon, general counsel, National Board of Fire Underwriters; William S. Barnaby, managing editor, *The Spectator,* on "Inspections"; Frederick L. Hoffman, statistician of the Prudential, on "Industrial Accidents in the United States and Their Relative Frequency in Different Occupations"; Hon. Arthur I. Vorys, former superintendent of insurance of Ohio, on "State Insurance"; A. R. Arford, secretary, Workingmen's Mutual Protective Association, Benton Harbor, Mich.; W. L. Chandler, manager, Dodge Manufacturing Co. of Mishawaka, Ind., on "Benefit Funds Among Industrial Workers."

The Great Eastern Casualty has appointed **C. Clarke Howard** as agency director, and he will assume the position at once. Mr. Howard was formerly with the Great Eastern for fourteen years, during which he won many advances, retiring as agency director to go with the Massachusetts Bonding and Insurance Company. His return to the Great Eastern is a matter of mutual satisfaction, as his relations with President Fibel were always of the most cordial nature.

The report of the **first year** of workmen's compensation payments under the administration of the Massachusetts law has been **successful,** according to a report just issued. The average payments to non-insured employees has been $701, while the

Digitized by Google

average to injured employees by the insurance companies was $1,900. Accident reports numbered 89,694, of which 474 were fatal.

By a **typographical error** last week this paper was made to misquote the names of the estimable officers of Lloyds' Plate Glass Insurance Company. Correctly stated they are as follows: President, William T. Woods; vice-president, George M. Olcott; secretary and treasurer, Charles E. W. Chambers. Incorrect spelling, fortunately, does not affect the management of this popular company, but credit for the success ought to go to the right ones, which is ample reason for a correction.

At the **Western Automobile Conference,** held at Chicago, Manager T. E. Gallagher, of the Western Department of the Ætna, was elected president; S. T. Collins, of the Providence, Washington, vice-president, and Fred. J. Sauter, of the Michigan Commercial, secretary-treasurer. A committee was appointed to co-operate with the Eastern Conference in the making of a tariff of rates.

The **New York situation as to workmen's compensation** is somewhat cleared by the statement that the House will not attempt to modify the Glynn law, which was introduced for re-enactment, but that any changes desired will be made later by amendment. The appointments of the members of the Industrial Accident Commission are expected soon.

An interesting address on the **provisions of the New York workmen's compensation law** was given by Edmund Dwight, resident manager of the Employers' Liability of Boston, before the New York State Bar Association a few days ago. Mr. Dwight gave a comprehensive review of the law and the effect it would produce.

The **Maryland Casualty** has written the $100,000 bond of John Skelton Williams, the new Comptroller of the Currency. Mr. Williams was a director in the Maryland Casualty prior to his appointment and is a very close friend of President John T. Stone. The directorship was resigned upon accepting the federal appointment.

Another **workmen's compensation** measure is expected to appear shortly **in the Maryland legislature,** of which Delegate McQuaid will be the author and sponsor. The Hammond bill provides only for State insurance, while the new bill will include the four options.

The Casualty Company of America has secured the services of **Augustus H. Page** as assistant to J. N. Ferrer, superintendent of its plate glass insurance department. Mr. Page was for eleven years with the Fidelity and Casualty.

The **Ætna Life** has appointed N. P. Corish & Co. **general agents at Atlanta** for accident and liability lines. M. M. Ray, who was formerly general agent there, will be associated with the new firm.

The **National Surety** has promoted Howard Abrahams, formerly assistant secretary, and W. B. B. Smith, formerly comptroller, to be vice-presidents. Mr. Smith will continue to act as comptroller.

The **American Surety** has elected R. R. Brown first vice-president. He has been vice-president and superintendent of the agency department. F. J. Parry succeeds him as superintendent of agents.

A **taxpayer's suit** to test the constitutionality of the Ohio workmen's compensation law is being prepared. The imposition of a general tax for the benefit of a class is to be alleged against the act.

The New York Insurance Department has established **a branch for handling workmen's compensation matters** under the new law, and Leon S. Senior has been placed in charge.

New rates of workmen's compensation insurance became effective in Massachusetts February 2d, representing an approximate reduction of 15 per cent.

The construction bonds for the New York State Building at the Panama-Pacific Exposition has been **written by the Globe Indemnity.**

The **annual banquet and entertainment** of the **Casualty and Surety Social Club** will be held at the Hotel Martinique, Tuesday evening, February 17th, at 7 o'clock.

The **Ocean** has established a **Pacific Coast department** at San Francisco, with Leonard C. Jones as supervisor.

The **New England Casualty** is said to be contemplating the establishment of a Chicago Branch office.

Personal.

AGENCY APPOINTMENTS.

Fidelity and Deposit: E. E. Porterfield, general agent in Kansas City.

Firemens of Newark: H. B. Hickox, special agent in the Mountain Field.

National Fire of Hartford: Fred. D. Hougham, State agent for North Dakota; Harold Haskins, special agent for Western Pennsylvania.

Connecticut Fire: H. M. Gordon, special agent in Eastern Oregon, Washington, Idaho and Montana, with headquarters at Spokane.

Westchester Fire: William N. Du Val, special agent for Nebraska, Kansas and South Dakota, with headquarters at Omaha.

Security of New Haven: H. C. Upham, State agent for Indiana, succeeding James A. Bawden, resigned.

German American and German Alliance: J. A. Parrish, special agent for Mississippi.

North British and Mercantile: Edward J. Macdonald, State agent for Minnesota, succeeding J. W. Harsh.

Allemannia: George S. Rosencrantz, general agent for New England; Rosencrantz, Hugard & Co., Boston agents.

Western Indemnity of Dallas: L. N. Joseph & Co., general agents for St. Louis and vicinity.

Southwestern Surety: Thomas F. Durgin, agent at Rochester, N. Y., for all lines.

German American Life: McCandless & Harley, of Topeka, State agents for Kansas; C. R. Pinneo, of Omaha, superintendent of agencies for Nebraska.

Mr. William A. Moore, first vice president of the Phœnix Mutual Life Insurance Company, of Hartford, died in that city on January 30, aged 60 years. He had been ill the past two years. He was a native of Grove City, Ohio, and became connected with the company at Albany, N. Y., when a young man. He was called to the home office in 1874, appointed secretary in 1897, and vice president in 1904. He was also interested during his lifetime in Hartford municipal affairs and was Police Commissioner for six years and a member of the Park Board for ten years. His acquaintance with the life insurance business was wide and he enjoyed the respect of all who knew him.

Mr. Arthur Capper, editor of the Topeka *Daily Capital,* who is a candidate for the Republican nomination for Governor of Kansas, is a vehement advocate of State fire insurance. He claims that property owners are paying twice as much for fire insurance than they should, and that the companies fight nearly all claims for insurance.

Mr. N. B. Jones, state agent emeritus of the Insurance Company of the State of Pennsylvania and for many years secretary of the Michigan Field Club, died Monday at his home in Detroit after a long illness, aged 78 years. Mr. Jones was the dean of the Michigan field men.

Mr. Arthur C. Edmunds, business manager of the *Insurance Report,* of Denver, has resigned that position to form a business connection with the Phœnix Mutual Life of Hartford. He is brother-in-law to Cyrus K. Drew, editor and publisher of the paper.

Digitized by Google

Mr. Thomas M Hart, adjuster in Tennessee for the Continental of New York, and formerly a member of the Nashville agency firm of Hart, Sharpe & Co., died from acute indigestion January 22, at a Nashville hotel.

Mr. John W. Buckman, of Philadelphia, on February 1, 1914, completed his semi-centennial year in the insurance business. He has occupied his present office, No. 404 Walnut Street, since October 15, 1872.

Mr. W. C. Sahr has resigned as superintendent of the plate glass department in the Western department of the Globe Indemnity, and is succeeded by Edward B. Finnegan, of New York.

Mr. Henry W. Porter, of W. Porter & Co., representing several mutuals, formerly associated with Rothery, Emery & Perkins, has been admitted to partnership with Charles Haas & Co.

Mr. Edson S. Lott, president of the United States Casualty, will speak on workmen's compensation laws before the judiciary committee of the Virginia Legislature next Monday.

Mr. Edgar P. Luce, secretary of the Franklin Fire, of Philadelphia, has applied for membership in the Western Union, succeeding the late President Duncan.

Mr. W. A. Chapman, Western manager of the Connecticut Fire, has been elected to membership in the Western Union, succeeding J. J. McDonald, resigned.

Mr. P. Tecumseh Sherman was in attendance this week at the hearings on workmen's compensation before the Louisiana Employers' Liability Commission.

Mr. J. S. Little has resigned as special agent for the Commercial Union of London, in Nebraska and South Dakota, and will open a local agency at Omaha.

Miss Abbie Gantz, librarian of the Fire Underwriters' Association of the Northwest, arrives Tuesday for a two weeks' visit in New York.

Messrs. J. Howard Brown & Co. have been appointed agents for Philadelphia and vicinity for the Franklin Fire, of Philadelphia.

Mr. John M. Mott, formerly superintendent of agents at Chicago for the Ætna Life, died at Detroit, January 22, aged 79 years.

Mr. Harold Haskins has been appointed special agent of the Phœnix of Hartford, for eastern Pennsylvania.

Mr. Frank Fitzsimmons, of Johnson & Higgins, who had a stroke of paralysis two weeks ago, is dead.

Mr. Isaac W. Jones, for several years special agent of the Hartford Fire in Kansas, has resigned.

Dr. Horace C. Holden, secretary of the German American Life, of Omaha, died there January 23.

Mr. W. F. Landers has resigned as manager of the Industrial Fire, of Akron, O.

Insurance Legislation.

Kentucky

FRANKFORT, February 5.—Bills introduced:

Senate Bill 364 (McManus) regulating the cancellation of accident and health insurance.

Senate Bill 216 (Ford) further regulating co-operative and assessment fire insurance companies.

Senate Bill 220 (Knight) prohibiting owners of motor vehicles to insure against liability, also prohibiting physicians and dentists from insuring against malpractice.

Senate Bill 221 (Knight) requiring liability and casualty insurance companies to be made defendants in damage suits.

Senate Bill 222 (Knight) regulating cancellation of health insurance.

House Bill 382 (McNally) prohibiting owners of automobiles to insure against liability, also prohibiting physicians or dentists to insure against malpractice.

Senate Bill 264 (Arnett) requiring foreign corporations to pay as much for products of Kentucky as they pay for similar products in other States.

Maryland

ANNAPOLIS, February 5.—A compulsory investment bill affecting life insurance companies is expected to appear in the legislature in a day or two to require seventy-five per cent. of the reserves to be invested in Maryland securities.

Massachusetts

BOSTON, February 5.—Bills introduced:

House Bill 832 amending workmen's compensation act as to various payments.

House Bill 975 requiring insurance agents to hold State brokers' licenses.

House Bill 976 limiting fire insurance in Boston.

House Bill 977 to limit business of fire insurance companies.

House Bill 978 prohibiting advertising, except under the recorded company title.

House Bill 980 making life insurance policies of $500 or less incontestable from date of issue.

House Bill 981, unclaimed commission due agents and brokers more than two years to be paid to the State.

House Bill 990, workmen's compensation to begin on the eighth day.

House Bill 1123 regulating payments of casualty insurance losses.

House Bill 1124 prohibiting life insurance companies from paying both salary and commission, also prohibiting rebating.

House Bill 1125 requiring foreign insurance companies to invest 50 per cent. of their Massachusetts premiums in Massachusetts real estate annually.

House Bill 1135 relative to the recovery of damages for death.

House Bill 1134, workmen's compensation to begin on the eighth day.

Mississippi

JACKSON, February 5.—Bills introduced:

House Bill —— (Denson), Mobile bill with New York amendments.

Senate Bill 278 (Russell) to regulate and control fraternal benefit associations.

House Bill 455 (West) to fix the value of suits to recover for personal injury.

House Bill —— (Mallette), being the Pennsylvania inter-insurance law with some additions by Insurance Commissioner Henry.

House Bill 499 (Brown), being almost as radical as the Hobbs' compulsory investment bill of last year.

House Bill 487 (Denison) regulating inter-insurance concerns.

House Bill 435 (Bramlette) prohibiting foreign corporations from transacting a local business in Mississippi. This is regarded as a vicious bill. It prohibits the owning or leasing of any lands or the exercise of the right of eminent domain, providing heavy penalties.

Senate Bill 246 (Mounger) providing that injured employee may recover damages.

Senate Bill 316 (Russell) providing a standard for computing liability loss reserves, being the bill approved by the New York and Massachusetts insurance departments.

The Mobile bill for fraternals has passed the Senate.

New Jersey

TRENTON, February 5.—Bills introduced:

House Bill 230 (Richards) amending the law governing fire insurance rates so as to require insurers to divide risks into classes of the same general hazard, and fix rates for each class, same to be filed with the Insurance Department. Changes in rates to be filed within five days.

New York

ALBANY, February 5.—Bills introduced:

Senate Bill 267 (Rampsberger) to re-enact workmen's compen-

(*Continued on Page* 119)

Digitized by Google

The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, FEBRUARY 7, 1914.

REFRIGERATION

History of Development—Processes, Ancient and Modern—Special and Incidental Hazards

By William J. Tallamy, Insurance Inspector, New York

(Continued from January Supplement)

THE ABSORPTION SYSTEM

of refrigeration (illustrated in Fig. 4) is possible with such volatiles as have great affinity for and will readily mix with water, such as ammonia and sulphuric acid. In former years sulphuric acid was used in absorption systems to some extent, but owing to its highly corrosive tendencies its use has been practically abandoned.

Ammonia seems to be exclusively used at the present time. It has such great affinity for water, that water at ordinary temperature will absorb 700 times its volume in ammonia gas; the mixture being commercially known as aqua ammonia.

Unlike the compression system, no mechanical energy is necessary other than that of a small pump used to force the liquid from one section of the system to another; the office of refrigeration being brought about by chemical rather than mechanical means.

As in the compression system the process is continuous, the same refrigerant being used over and over again; small amounts being added to replace trifling loss through leaks as they occur.

The equipment in the absorption system consists of eleven vital parts acting in conjunction with each other. They are as follows: The generator, analyzer, rectifier, condenser, liquid receiver, expansion valve, expansion coils, absorber, pump, exchanger and weak liquid cooler.

The generator is a cylindrical-shaped steam-heated iron boiler or still, set horizontally on a suitable base, in which aqua ammonia, usually a 26 to 30 per cent. solution, is placed for distillation. It can be heated by direct heat from below, but steam is generally used, as it gives better results, the heating coils being placed horizontally in the lower half of the generator.

When sufficiently heated the solution in the generator vaporizes under pressure. Ammonia having a much lower boiling point than water, the vapor given off in the generator is largely ammonia. As the ammonia is removed, the liquor in the generator becomes weaker and is withdrawn through a pipe opening at the bottom of the generator, which carries the weak liquor to the exchanger.

In addition to separating the ammonia from the water, the generator also provides and maintains sufficient pressure in the condenser to insure condensation. The temperature in the generator is usually in the neighborhood of 270° Fahr., which is the equivalent of 160 pounds pressure.

The analyzer is an iron cylindrical-shaped shell placed directly above and attached to the generator. It acts as an outlet for the vapor as it leaves the generator, and an inlet for the strong liquor as it returns to the generator for further distillation.

The analyzer is fitted with a series of trays over which the strong liquor flows on its way to the generator. The hot vapor passing over the surface of the returning liquor heats and absorbs some of the ammonia, at the same time depositing some of the water contained in the vapor.

The rectifier is a condenser, cooled by running water, designed to rid the hot vapor of the balance of the water taken up by it in the generator. The vapor is practically converted into dry ammonia gas in the rectifier and passing on to the final condenser is reduced to a liquid.

The water removed from the vapor in the rectifier is returned to the generator through a pipe leading to the analyzer.

The rectifier and condenser in the absorption system are similar to the condensers as described in detail in the compression system, consisting of the atmospheric, double pipe and submerged types. The cooling required in the rectifier is much milder than that necessary in the condenser, however, warmer water being used over a smaller cooling surface.

ANOTHER FORM OF CONDENSER

sometimes used in absorption systems consists of an iron or steel cylinder containing coils of iron pipe through which cold water is constantly running. The hot gas enters at the top, condensing as it passes downward over the water pipes. This type of condenser is also used as the liquid ammonia receiver supplying the expansion chamber direct through the expansion valve.

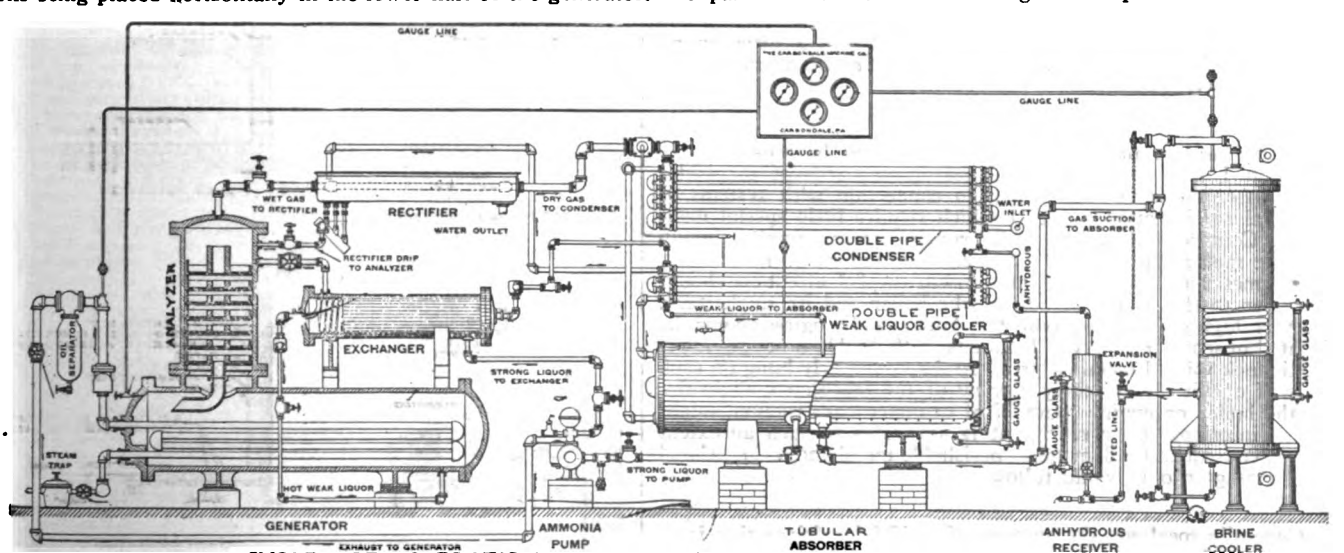


FIG. 4

Digitized by Google

If there is a separate liquid receiver its arrangement and function are similar to those of the compression system.

The expansion valve and coils are also similar to those previously described.

When the brine circulating system of cooling is used in the absorption system, brine is frequently cooled in an especially constructed cooler, consisting of a cylinder containing a rich brine in which the ammonia expansion coils are immersed.

The pressure in the expansion coils of the absorption system is about the same as that of the compression system. The spent or heated gas on leaving the expansion coils is forced to the absorber under this pressure, usually about thirty pounds.

The absorber is a cylindrical-shaped shell in which there are coils of iron pipes containing running water.

In the absorber the spent or heated ammonia gas from the expansion or refrigerating coils and the weak liquor from the generator are combined, the weak liquor absorbing the gas. The running water in the coils of pipe assists in the absorption by removing the heat of the solution. The colder the solution the more rapid and perfect the absorption. The gas and weak liquor both enter the absorber at the top, the liquor in the form of a spray meeting and absorbing the gas as it enters. As the gas is absorbed the liquor becomes stronger with ammonia and is removed through a pipe opening at the bottom, usually by a small pump, which forces the strong liquor through the exchanger to the analyzer, through which it enters the generator.

The exchanger is the cylindrical-shaped iron shell through which the weak liquor passes in iron coils of pipe from the generator to the absorber. The strong liquor immersing the coils of hot weak liquor in the exchanger absorbs part of its heat, while the hot liquor benefited by parting with some of its heat to the strong liquor passes on to the weak liquor cooler, where more of its heat is removed. The temperature of the weak liquor after leaving the weak liquor cooler, usually a double-pipe cooler, is sufficiently cooled to enable it to properly act as an absorber of gas in the generator.

In some systems the absorber and the exchanger are arranged similar to the double pipe condenser, the colder liquid passing through the inner pipe and the warmer liquid through the annular space between the inner pipe and the inner surface of the larger pipe.

As the temperature of the cooling or condensing waters used in the absorption system differs, the same water is frequently used throughout. The cold water first assisting in liquefying the gas in the condenser, passes on to the absorber, where it assists in the absorption; it then passes through the weak liquor cooler and on to the rectifier, where water at a comparatively high temperature is required.

FURTHER ECONOMIES

are practiced in the absorption system by the use of exhaust steam for heating the generator. In such cases oil traps should be installed between the generator and the source of exhaust steam supply.

The valves and fittings used in the absorption system are similar to those used in the compression system, with their bolts, gaskets, etc.

The hazards of the absorption system are milder than those of the compression system, especially as there is little or no danger of the presence of explosive mixtures of ammonia gas and lubricating oil in the system.

INCIDENTAL HAZARDS

In addition to the numerous processes and hazards hitherto mentioned, there are the usual incidental hazards of the boiler and engine room usually present in connection with systems of artificial refrigeration, most of which require little special mention. Compressors are generally run by steam engines, though electric motors, gas and gasoline engines and water motors are sometimes used. When steam is used, careful attention should be given to the proper setting of the boiler and its smokestack.

It is highly desirable that the boiler and engine rooms be located in separate fireproof buildings, with double three-ply automatic lock jointed metal covered fire doors properly hung on each side of openings; especially in view of the fact that a slight fire in the boiler or engine room, if of ordinary construction, might result in crippling the refrigerating apparatus to such an extent that a consequential damage to perishable merchandise in isolated cold storage rooms would follow.

INSULATION

Generally speaking, the purpose of artificial refrigeration is to provide and maintain low temperatures in a room by removing the heat from its contents. After the heat has been once removed it would not be necessary to continue operating the refrigerating machinery if it were not for the fact that the cold induced by the refrigeration not only attacks the heat in the room, but is constantly trying to absorb the heat outside of the room through its walls and partitions. In order to check this the best-known non-conductors of heat are used in the construction of all walls, floors and ceilings of cold-storage rooms.

Some of the most popular insulating materials in use at the present time are cork blocks, ground cork, hair felt, mineral wool, cement, concrete, sawdust, paper, hollow tile and ashes. Still air cells or spaces form one of the best non-conductors of heat when properly used in conjunction with some of the above insulators, but care must be taken that the air is non-circulating. Cut No. 5 shows how some refrigerator insulating materials are installed to the best advantage.

USES

So varied and numerous are the uses to which artificial refrigeration is put that it would be useless to try to name and describe them all in detail. A few of the more common uses are as follows:

In breweries it is extensively used in removing the heat of fermentation, in cooling wort, and in maintaining the necessary low temperatures in beer cellars and storage rooms.

Cold storage plants owe their existence entirely to artificial refrigeration. The apparatus in such establishments is so ably controlled that temperatures varying from 15° Fahr., necessary for freezing game, poultry, etc., to 55° Fahr., necessary to properly preserve tropical fruits, such as dates and figs, are easily maintained.

Slaughter houses, dairies, butter and cheese, candy and various other manufactories now find it almost indispensable.

Cafés, hotels, bottling establishments, department stores, theatres and office buildings are incomplete without refrigeration plants of their own.

Steamships are enabled to carry perishable cargoes, provisions and supplies an indefinite length of time by its use.

ICE MAKING

Owing to the uncertainty of the supply of natural ice and the difficulty met with in procuring it in the warmer climates, the manufacture of artificial ice has grown to be one of the most important industries of modern times. This, of course, is due to artificial refrigeration entirely.

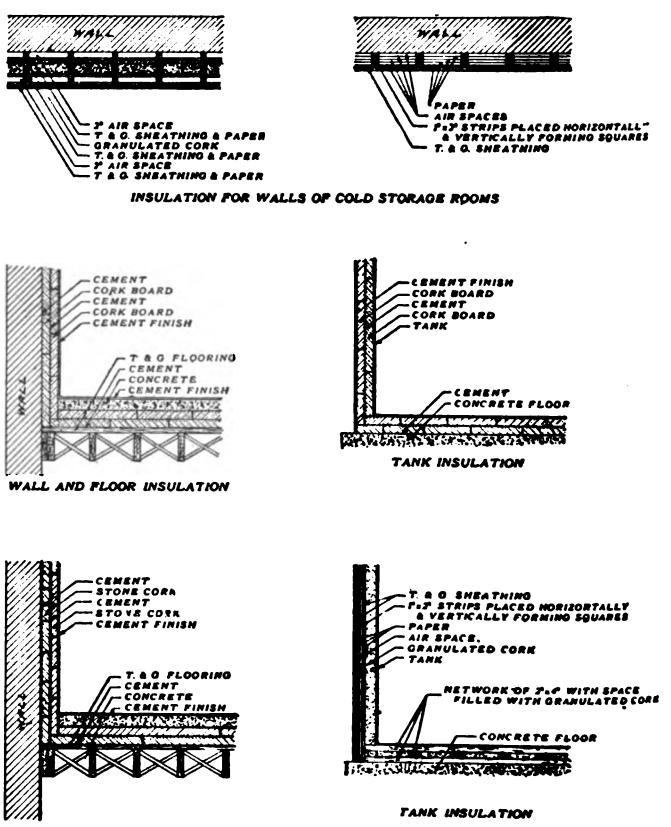


FIG. 5. VARIOUS APPROVED METHODS OF INSULATION

Digitized by Google

There are two common methods employed in the manufacture of ice, namely, the can and the plate systems, both of which have their advantages.

When distilled water is used, usually in the can system, manufactured water is better than natural ice for domestic purposes, inasmuch as it is free from all impurities, which are removed during the distillation.

Many plants use exhaust steam from the engine room, which, of course, must undergo further cleansing processes to rid it of such foreign substances as it may have taken up in the boiler and engine. Most of this is removed in a separator. From the separator the steam passes through a condenser cooled by water from the ammonia condenser. The condensed steam is run through a skimmer, which removes all remaining impurities. It is then reboiled, filtered, cooled and run into a water storage tank, where the cooling continues until the water is almost at the point of congealing.

IN THE CAN SYSTEM

the water is run into galvanized iron cans immersed in a tank filled with brine well agitated. The ammonia expansion coils are also immersed in the brine. As the ammonia expands the brine is cooled to a point well below the freezing point of water, generally to 10° to 20° Fahr. After a certain length of time, usually two days, the water in the cans freezes solid, and the cans are removed. The outer surface of the can is heated by immersion in warm water or by sprinkling warm water on its sides and bottom. The ice is then easily removed and placed in the ice storage room.

THE PLATE SYSTEM OF ICE MAKING

differs from the can system inasmuch as the water, if naturally pure, does not need to be distilled. It is divided into two classes, namely, the dry plate and the wet plate systems.

The tank in which the ice is to be made is divided into numerous sections by hollow or double steel plates placed 25 or 30 inches apart. In the dry plate system direct expansion coils are placed between the plates and the tank filled with water to be congealed. As the gas expands in the coils the water in contact with the plates freezes. After about a week the ice is ready to be removed. Hot gas is then turned into the coils, melting the surface of the ice adhering to the plate. The ice is then easily removed.

In the wet plate system brine is run into the hollow space between the plates, the expansion coils being immersed in the brine. The expanding gas cools the brine, which in turn freezes the water. When the ice is ready for removal the gas and brine are withdrawn, and the space between the plates filled with water at ordinary temperature. When the surface of the ice is softened it is removed, as in the dry plate system.

Ice made by the plate system is said to last much longer than that made by the can system.

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in January

Number of Fires.	Classification.	Reported Loss.
70	Spreading fires, with omnibus loss	$3,381,000
70	Business buildings, with varied occupancy	2,787,000
21	Miscellaneous manufacturing risks	993,000
16	Storage warehouses	816,000
2	Distilleries	705,000
20	Miscellaneous mercantile risks	701,000
4	Cotton compresses	690,000
3	Mine buildings	580,000
2	Sugar mills	550,000
10	School and college buildings	515,000
4	Cotton oil plants	460,000
17	Hotels	422,000
5	Department stores	415,000
1	Wharf and pier	400,000
7	Grain elevators	379,000
5	Summer resorts	371,000
8	Theaters	364,000
6	Apartment buildings	341,000
20	Suburban dwellings	296,000
7	Lumber plants	281,000
1	Aluminum works	250,000
15	General stores	229,000
9	Churches	199,000
6	Woodworking risks	188,000
7	Railroad buildings	145,000
4	State and county buildings	110,000
3	Furniture stores	100,000
1	Tannery	100,000
8	Stables	99,000
14	Farm buildings	93,000
2	Meat packing plants	90,000
3	Planing mills	85,000
3	Steamships	75,000
9	City dwellings	70,000
6	Cotton gin plants	70,000
2	Cooperage shops	60,000
6	Tenements	53,000
1	Fertilizer factory	50,000
1	Barge	45,000
1	Electric light and power plant	45,000
1	Ice house	30,000
2	Greenhouses	35,000
1	Printing plant	35,000
1	Brewery	30,000
2	Shingle mills	28,000
1	Fruit packing plant	22,000
1	Bakery	20,000
1	Cold storage plant	20,000
1	Sanitarium	20,000
2	Saloons	15,000
2	Y. M. C. A. buildings	15,000
2	Film factories	10,000
1	Gymnasium	10,000
1	Iron foundry	10,000
1	Oil tank	10,000
1	Repair shop	10,000
1	Woolen mill	10,000
1	Tobacco barn	8,000
1	Vegetable cannery	5,000
	Total	$17,946,000
	Add 15 per cent. for small and unreported fires	2,692,900
	Total	$20,038,900

Total fires reported, 424.
Six of above fires reported as incendiary; loss, $110,000.

FIRE INSURANCE IN THE COURTS

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar

1. Removal of Causes—Statutes of Washington—Real or Nominal Parties.

Under the statutes of Washington (Pierce's Code, 1912, Title 81), requiring actions to be brought in the name of the real party in interest and permitting the assignment of such causes of action, insurance companies of other States and foreign countries, doing business within the State, which have paid policies on property destroyed by fire caused by the negligence of the defendant and have been subrogated to the right of action of the owner against the defendant, may maintain an action thereon in their own name, and where they join with the owner as plaintiffs they are parties in interest and not merely nominal parties for the purpose of determining the removability of the action.

2. Express Trust—Created by Agreement.

An express trust can only be created by agreement of the parties to the trust concerning it, and the right of the plaintiff companies, upon the payment of the owner's loss, through subrogation, was created by operation of equitable principles, and not created, but rather recognized, by the terms of the insurance policy; under the statutes of Washington and the decisions of the courts, the insurance companies are held to be real parties in interest, and therefore necessary parties.

Motion to remand to State courts here granted in United States District Court, W. D., Washington, E. D.

PALMER ET AL VS. OREGON-WASHINGTON R. & NAV. CO. 208 Federal, 666. (October 22, 1913.)

1. Foreign Insurance Companies—Statutes of Delaware—Service of Process.

Under the statutes of Delaware (23 Del. Laws, Chap. 71, Secs. 1-3), providing no insurance company, corporation, or association organized under the laws of another State, or any foreign country, shall transact business in the State until it shall have first appointed the insurance commissioner to be its attorney for the service of process, and that whenever such process is served upon the insurance commissioner he shall forthwith mail a copy of such process to the secretary or resident manager of the company, and whenever service of such process may be made upon the insurance commissioner of the State, such commissioner may from time to time designate some person in his office upon whom, in his absence, service of such process may be made, with same force and effect as if made on the commissioner himself, where the return stated: "1913, September 12. Served

Digitized by Google

personally the state insurance commissioner of the State of Delaware, by leaving a copy of the within writ at the office of the state insurance commissioner, at Dover, Delaware, in the presence of Bertha Butz, an adult person," this return shows an attempted service upon the insurance commissioner by leaving a copy, and inasmuch as an alternative service is provided in the statute, a service by leaving a copy would not be a legal service.

Motion to quash and set aside the return of service by a copy here sustained in Superior Court of Delaware, New Castle.

HORRIGAN CONTRACTING COMPANY VS. COLUMBIA INSURANCE COMPANY

89 Atlantic, 210. (October 6, 1913.)

1. Authority of Agents—Malicious Prosecution—Liability of Company.

It appeared that a special agent of the defendant insurance company had authority to suspend, check up and settle with the local agents of the company; that he had checked up the books of the plaintiff and had ascertained the amount due to the company for premiums which he had collected from the policyholders; that he had failed to collect the balance due to the company from the plaintiff; that on his own voluntary testimony, given before the grand jury without a subpœna, he had procured the indictment for embezzlement of the plaintiff; that on the trial of that charge the plaintiff had been acquitted and had brought action for malicious prosecution against the company. While the special agent employed by the insurance company was authorized to employ all appropriate means to collect its claim against the plaintiff, and while the agent is employing appropriate means to carry out his employer's business, the employer is responsible for his acts, yet it cannot be said that a criminal prosecution is a means appropriate for the collection of debts, and that the company is liable for malicious prosecution by an agent, without its instigation, direction or knowledge.

2. Same—Presumption of Agency.

The fact of agency may be presumed from the natural improbability that one should voluntarily, without authority, assume to act for another, settling his obligations for a considerable length of time, and from the fact that such conduct would naturally come to be known by the assumed principal.

Judgment for defendant in Circuit Court, Warren County, here affirmed in the Supreme Court of Mississippi.

RUSSELL VS. PALENTINE INS. CO.

63 Southern, 644. (December 15, 1913.)

1. Notice of Cancellation—Notice Sufficient in Form.

Where policy provided, "This policy shall be cancelled at any time at the request of the insured; or by the company by giving five days' notice of such cancellation," and the company caused a written notice, stating that the company herewith gives five days' formal notice of its intention to cancel the policy, shortly describing it, and that liability will absolutely cease at noon December 28, 1909, to be sent by its agent to the insured through the mails, the notice was sufficient in form.

2. Same—What Constitutes Notice.

It appeared that December 22, 1909, the company caused to be mailed a notice of cancellation of the policy in a postpaid registered envelope addressed to the plaintiff; that it was received by the plaintiff on December 24, 1909, and receipted for by him; that the envelope in which it was mailed bore the business card of an insurance company, other than defendant, and of the same agents as those representing the defendant; that the letter remained unopened until after the fire. This, in and of itself, was not notice of cancellation.

3. Same—Same.

Under the policy, notice to be efficacious to cancel the policy must have been brought home to the insured—that is, brought to his personal attention—or, at least such a situation must have been brought about as to have put the insured upon inquiry, which, had it been made, would have resulted in actual notice to him, and as there was neither actual notice, nor such circumstances as reasonably tended to put the plaintiff on inquiry which would have led to notice, the company is held liable.

Judgment for plaintiff in Supreme Court here affirmed in Court of Errors and Appeals, of New Jersey.

FRITZ VS. PENNSYLVANIA FIRE INSURANCE COMPANY

88 Atlantic, 1065. (November 17, 1913.)

1. Construction of Policy—Description of Location of Property Insured—Liability of Company.

Where plaintiff took out policy of insurance on furniture and personal effects "contained in or on the building, additions and extensions thereto, situate northeast cor. of 2d Street and Wolf's Lane, Pelham Heights, New York. Occupied as frame dwelling," and after two years had the said policy renewed, but without any change except that the amount was reduced, and after total loss by fire it was found that the premises were on the northwest corner of said streets, and there was no other frame dwelling on the four corners of these intersecting streets, either at the date of the last policy or at any previous time, under the rule of construction that where the part plainly erroneous can be rejected and yet leave enough to designate the location with certainty the errors will be rejected, clerical misdescriptions of the site of insured buildings or of buildings containing the property to be insured will not avoid the policy.

2. Same—Same—Same.

Where the company claimed that this inadvertence had caused them harm, since in reliance thereon it had taken another risk on this residence of $3,500, while its own rules for local agents limited such lines to $3,500, considering that fire insurance offices have local maps so as to keep track of any cumulative lines and that when this $3,500 insurance on the residence was taken the insurance company already had a larger line on plaintiff's furniture by the prior policy, the duty upon the company to investigate, and if necessary to reinsure any excess, cannot be set up to avoid liability to plaintiff.

3. Same—Proof of Loss within 60 Days—Waiver by Company.

Where the insured sent notice of loss and company sent adjuster to investigate, and plaintiff's brokers notified adjuster of mistake in description of location, and the premium was paid and accepted after loss and retained by the company, and when company accepted proof of loss of furniture and asked to hold in abeyance the question of liability until it had been referred to London and finally retained the sworn proof of loss without objection, it waived the policy requirement of a formal proof of loss within sixty days.

Judgment for plaintiff in Supreme Court, Westchester County, here affirmed in the Appellate Division, Second Department, Supreme Court, New York.

CURNEN VS. LAW UNION & ROCK INS. CO.

144 New York Supp., 499. (December 5, 1913.)

1. Failure to Secure Cancellation—Liability of Agents.

It appeared that defendant, as representative of the owner, applied for and obtained policy of insurance to cover a certain boat; that policy was issued by four insurance companies in usual form, containing clause for cancellation upon five days' notice; that the four companies through general agents notified defendant by letter of their wish to be relieved of the policy and asking it to replace the business and consider the letter in lieu of the usual five days' notice; that thereupon defendant wrote the agency, from which it received the application originally, asking for return of policy and offering to replace insurance elsewhere; that thereafter the boat burned and the plaintiff's assignors paid the amount of the loss. As the defendant was not the agent of the plaintiff's assignors, and was not the agent of the insured for the purpose of receiving notice of the cancellation of the policy, under no circumstances can the defendant be regarded as under a greater duty than that which is imposed upon a gratuitous bailee and, therefore, defendant is not liable to plaintiff's assignors for the failure of their general agents to give notice of cancellation to the insured.

Judgment for plaintiff in City Court of New York, here reversed and dismissed in Appellate Term, Supreme Court, First District, New York.

CONDON VS. THE EXTON-HALL BROKERAGE AND VESSEL AGENCY.

83 Misc., 130. (December, 1913.)

1. Assignment to Mortgagee of Insurance on Realty—Reservation by Mortgagor of Insurance on Personalty—Consolidation of Actions.

It appeared that plaintiff, a mortgagor, held policy of fire insurance covering both real and personal property and assigned to mortgagee in usual form any loss on the buildings, without assigning the insurance on the personal property; that house and contents were destroyed by fire; that mortgagee brought action against the insurance company without making mortgagor a party; that mortgagor brought action against the insurance company within twelve months of the fire for the loss on the personal property without making the mortgagee of the real property a party; that in suit brought by mortgagee, court suggested that mortgagee serve cross-answer in suit brought by mortgagor and, upon agreement by insurance company to receive said cross-answer, the suit was discontinued; that thereafter the insurance

Digitized by Google

company tendered the mortgagee the full amount unpaid upon the mortgage, demanding that it be subrogated to his rights by an assignment of the mortgage, which tender was refused; and that insurance company allowed mortgagor to take judgment for sum due on personal property. If there was an irregularity in the entry of judgment in favor of mortgagor before the issues between the insurance company and the mortgagee were disposed of, the remedy of insurance company was to move to set aside the mortgagor's judgment as prematurely entered and it was not ground for reversal of judgment in favor of mortgagee.

2. Same—Same—Same—Mortgagee Necessary Party.

As separate actions could not have been maintained by the mortgagor and the mortgagee to recover separately the amounts payable to each, the mortgagee was a necessary party to the action brought by the mortgagor.

3. Same—Same—Same—Statute of Limitations.

As the actions brought by mortgagee and by mortgagor were both brought within the twelve months' statute of limitations provided for in the policy, a recovery by the mortgagee in the action brought by the mortgagor was not barred, although his cross answer was served upon the insurance company after the twelve months' period had expired.

4. Same—Same—Same—Tender by Insurance Company.

The tender by the insurance company to the mortgagee of the full amount of his mortgage with a demand for an assignment thereof did not preclude a recovery by the mortgagee in the action brought by the mortgagor, for the mortgage was not solely for his benefit, as the mortgagor had a right to have the payment applied in reduction of the mortgage due.

5. Same—Same—Same—Right of Subrogation.

The insurance company was not justified in paying the mortgage and claiming subrogation without first contesting its liability to the mortgagor and establishing its indemnity from liability to her, and hence, where it failed to disprove liability to the mortgagor at the trial, it failed to establish its right to subrogation.

Judgment in favor of defendant, mortgagor, against defendant insurance company, in Supreme Court, Herkimer County, here affirmed in Appellate Division, Fourth Department, Supreme Court, New York.

O'NEILL vs. FRANKLIN FIRE INSURANCE COMPANY OF PHILADELPHIA (impleaded with another).
159 Appellate Division, 313. (November 26, 1913.)

---

1. Validity of Policy—Agent for Company Employed by Mortgagee.

Where policy with mortgagee clause was issued by an agent for the company having authority to issue policies, who was also cashier for bank that held mortgage for about one-half of the amount of the insurance on the property insured, in the absence of fraud or collusion, the insurance company could not deny liability on account of its agent's relation to the mortgagee.

2. Same—Dual Relation of Agent—Fraud.

The rule that one cannot serve two masters does not apply, because loyalty to one involves no breach of duty to the other, and fraud is not necessarily to be presumed from mere dual relationship of agent.

3. Same—Same—Construction of Policy.

The mortgagee clause does not relieve the insurance company from liability upon a policy containing a condition that it shall be avoided by proceedings to foreclose any mortgage on the property, for the insuring of a mortgage lien was sufficient indication that the company must have contemplated a possible or probable foreclosure. When an insurance contract prepared by the insurer contains ambiguous or inconsistent provisions, it will be construed so as to uphold rather than defeat a recovery.

Judgment for plaintiffs in District Court, Shawnee County, here affirmed in Supreme Court of Kansas.

CITIZENS' STATE BANK OF CHAUTAUQUA ET AL vs. SHAWNEE FIRE INS. CO.
137 Pacific, 78. (December 6, 1913.)

---

1. Construction of Policy—Loss of Rents—Computation of Term.

Where the policy, issued to insure the owner of building used for a theater, stores and offices, against loss of rents in case the building should be rendered untenantable by fire, provided that, in case the building were rebuilt, the loss should be computed from the date of the fire and should cease when the building was rendered tenantable, and that, if the owner should not elect to rebuild, the loss should be determined by the time which would have been required for that purpose, and where the building was destroyed by fire and it could not be rebuilt, and an office building was erected instead, the loss is to be computed under the arbitrary rule of the policy without taking into account time for proof of loss, time for removal of debris, and delay incident to inclement weather occurring in the season following the fire.

Judgments for plaintiffs in District Court, Shawnee County, here modified in Supreme Court of Kansas.

AMUSEMENT SYNDICATE COMPANY ET AL vs. MILWAUKEE MECHANICS' INS. CO.
AMUSEMENT SYNDICATE COMPANY ET AL vs. PRUSSIAN NATIONAL INS. CO.
136 Pacific, 941. (December 6, 1913.)

---

1. Cancellation of Policy—Unearned Premium—Return or Tender Necessary.

Where the policy contained the New York standard cancellation provision, the repayment of the proper proportion of the premium is essential to a valid cancellation of the policy, and notice of cancellation without such repayment or tender of the unearned premium is ineffectual to cancel the policy.

2. Same—Consent of Parties.

Regardless of the provisions of a contract of fire insurance as to cancellation, the contract may be cancelled by the mutual consent of the parties thereto.

3. Same—Acceptance of Notice—Question for Jury.

Where insurance company gave notice of cancellation of policy, without tendering the unearned portion of the premium, and the insured did not object or request the return of the unearned premium, but on the contrary thought the policy of insurance was cancelled without such tender or repayment of the unearned premium, and procured other insurance to take the place of the policy thus regarded as cancelled, whether the policy was cancelled by mutual consent was a question for the jury.

Judgment for defendant in District Court, Harris County, here reversed and remanded in Court of Civil Appeals of Texas, San Antonio.

POLEMANAKOS vs. AUSTIN FIRE INS. CO.
160 Southwestern, 113. (November 5, 1913. Rehearing denied December 3, 1913.)

---

1. Removal of Property Insured—Consent of Insurer—Waiver and Estoppel.

Where the policy covered household furniture and contained provision against the removal of the property insured to another location without consent of the insurer, and the property insured is removed to another location without consent of the insurer, the insured cannot recover, but the provision against removal of the property insured may be waived or the insurer may be estopped to set up breach of provision.

2. Same—Telephone Conversation—Admissibility in Evidence.

Where the insured claimed that he had directed his bookkeeper to have the agents of the insurer make a proper transfer on the policy of location of property insured, evidence of request by bookkeeper by telephone to agents of the insurer to make the proper transfer and the agreement by person answering the telephone to do so, was admissible where the facts and circumstances were sufficient to warrant a finding that the communication was in fact between insured and the agents of the insurer.

3. Same—Recovery by Insured.

The insured, upon showing that the agent of the insurer agreed to his request to change the policy so as to cover the place where the loss occurred, is entitled to recover, even though no change had actually been made on the policy, and though the policy provided that none of its provisions could be waived unless in writing or attached to the policy.

4. Same—Property Covered by Policy.

Where policy was issued to insure plaintiff's household goods, furniture, etc., and was to run for three years, it included furniture acquired subsequent to the issuance of the policy.

Judgment for plaintiff in Dallas County Court here affirmed in Court of Civil Appeals of Texas, Dallas.

DELAWARE INS. CO. vs. WALLACE
160 Southwestern, 1130. (November 8, 1913. Rehearing denied November 29, 1913.)

---

1. Cancellation of Policy—Notice to Agent.

In an action on a policy issued to cover stock of merchandise in a store, where the defense was that the policy had been cancelled by notice given to and accepted by agent for the insured, who had applied for and obtained the policy, and there was no evidence that the agent had any authority from the insured other

Digitized by Google

than to procure the insurance policy, which was delivered to him unconditionally, judgment for the insured was properly directed, for the fact that the agent of the insured had authority to procure an insurance policy, which was delivered to him unconditionally, created no presumption that the agent of the insured had authority to accept notice of cancellation of the policy.

Judgment for plaintiff in Circuit Court, Floyd County, here affirmed in Court of Appeals of Kentucky.

DIXIE FIRE INS. CO. vs. A. LAYNE & BRO.

161 Southwestern, 530. (December 19, 1913.)

1. Action for Commissions—Statutes of Alabama—Right to Recover.

Where plaintiff acted as agent for a foreign insurance company, under an agreement to solicit insurance on cotton and receive certain commission on premiums paid therefor, without the license required by the statutes of Alabama (Acts 1909, p. 120), the fact that other statutes (Code 1907, Sec. 4561) required the foreign insurer to obtain a certificate of authority for plaintiff to act as its agent does not preclude the foreign insurer from setting up the illegality of plaintiff's act as defense to action for commission, for there is no presumption of compliance with the law in favor of a plaintiff seeking to maintain an action on a transaction involving the commission of a crime by himself, as would arise in the case of an innocent plaintiff.

2. Same—Pleadings and Practice—Conclusions of Pleader.

Where the complaint does not set forth that state of facts upon which the defendant was liable, the facts alleged cannot be aided by the conclusions of the pleader that the defendant was liable.

3. Same—Money Had and Received—Effect of Assignments.

Where an agent for a foreign insurance company brought action for money had and received, on the theory that the insurer had assigned to him a commission on the premiums to be paid by those insured, the insured, unless they consented to such partial assignment, were under no liability to him as assignee, and were entitled to pay the whole amount of the premium to the insurer as if no assignment had been made.

4. Same—Same Right of Action.

When it is claimed that a payment by debtor was in part for the use of a third party, the claim cannot be supported, unless something more is shown than the mere fact of payment, and that the creditor was under promise to the third party that he should have part of the amount paid, and, if there is no such showing, the rights of such third party must depend wholly upon the promise that he should have part of the amount paid.

6. Same—Criminal Act as Consideration for Contract.

Where a foreign insurance company refused to pay commissions due to its agent, who had not procured a license in accordance with the statute of Alabama (Acts 1909, p. 120), and the agent brought action against the insurance company for money had and received, claiming that the insurance company received commissions paid by those insured, partly for his benefit, no recovery can be had, if for the establishment of the right asserted the broker must show his criminal conduct in writing the insurance without the license, as required by statute.

7. Same—Same—Illegal Contracts—Right to Recover.

While the illegality of the contract is no defense to an action for money paid by one of the parties for the use of another, where the contract has been fully executed, yet where an insurance agent wrote insurance for a foreign insurance company, without having procured the license as required by statute, no action for money had and received can be maintained against the insurance company, even though it agreed to pay him a commission on the premiums received, for the contract was not fully executed on the part of the insurance company by accepting the premiums, and the only consideration was the illegal act of the agent.

8. Same—Illegal Contracts—Not Enforced by Courts.

Where the cause of action arises from an immoral or illegal act, the court will not enforce such contracts, as against public policy, not for the sake of the defendant, who may be equally at fault, but because they will not lend their aid to such a plaintiff.

Judgment for defendant, Law and Equity Court, here affirmed in Court of Appeals of Alabama.

PRIDE VS. COMMERCIAL UNION INS. CO., LD., OF LONDON, ENGLAND.

63 Southern, 803. (November 13, 1913.)

Rehearing denied, December 9, 1913.

1. Limitation of Actions—Statute of Limitations—Pleadings and Practice.

It appeared that plaintiff brought actions at law against insurance companies on policies of insurance for loss occurring in 1903; that in 1905 the judgments for plaintiff were reversed; that subsequently in the same actions plaintiff endeavored to show liability through allegations of waiver and estoppel; that judgments for defendants were affirmed on appeal; and that in 1912 plaintiff brought suits in equity to have the policies reformed and enforced. Where the face of a bill in chancery shows a case barred by the statute of limitations and no circumstances are stated which take the case out of the operation of the act, the defendant may take advantage of it by demurrer.

2. Same—Same—Statutes of Florida.

Under statutes of Florida (Gen. Stat. 1906, Sec. 1715), providing, "If an action shall be commenced within the time prescribed therefor, and a judgment therein for the plaintiff is reversed on appeal or writ of error, the plaintiff . . . may commence a new action within one year after the reversal," where judgments in actions brought in 1903 were reversed in 1905, and subsequently plaintiff endeavored to show liability in the same actions at law, and judgment for defendants was affirmed in 1912, and new action was started in 1912, the latter action was not commenced within one year after the reversal of 1905, as provided in the statute.

Decrees for defendants in Circuit Court, Dade County, here affirmed in the Supreme Court of Florida.

ERICKSON VS. INSURANCE CO. OF NORTH AMERICA.

ERICKSON VS. CITIZENS' INS. CO. OF MISSOURI.

63 Southern, 716. (November 18, 1913.)

1. "Short Rate" Recovery—Reversal of Judgment.

In an action to recover the "short rate" upon a policy of fire insurance, where the judgment in favor of defendant was manifestly based on a wrong theory of law, it will be reversed and a new trial ordered.

Judgment for defendant in Municipal Court, City of New York, here reversed and remanded in Supreme Court, Appellate Term, First District, New York.

THE AMERICAN FIRE INS. CO. OF NEWARK VS. MINSKER REALTY CO.

83 Misc., 1. (December, 1913.)

1. Subrogation—Action against Railroad Company.

Where buildings situated along the line of a railroad are destroyed by fire, alleged to have been caused by sparks from the locomotives, an insurer may, upon paying the fire loss, sue the company negligently causing the fire in the name of the insured for the resulting damages, and retain from the amount recovered the sum paid to the insured, and turn the balance over to him, or the insured may himself sue the wrongdoer for his own benefit and that of the insurer. In such actions the wrongdoer is protected against double recovery and he has nothing whatever to do with the question as to what is to become of the money recovered or with the question as to whether the insurer or the insured is to pay the costs and expenses of the litigation.

2. Same—Evidence—Subrogation Agreement.

On the trial the subrogation agreement, introduced in evidence by the defendant, had no bearing upon any real issue in the case and was of no value as evidence.

3. Same—Evidence—Indemnity Agreement.

On the trial the indemnity agreement, by which the insurer agreed to indemnify the insured from all costs by reason of said suit, introduced in evidence by the defendant, was a mere private agreement between parties who were jointly interested in the successful issue of the suit against defendant, and in which no persons other than the parties thereto had any interest whatever, and as it was irrelevant and immaterial, the admission of it in evidence was not only erroneous, but probably resulted in injury to the appellant.

4. Same—Questions for Jury—Burden of Proof—Instructions to Jury.

On the trial the question as to whether the locomotive was in fact properly constructed and properly equipped, or if that was true, then whether it was properly and skilfully handled, was for the jury; and when the instructions to the jury placed the burden of proof, under the facts hypothesized in the instructions, of showing that the locomotive was improperly handled or improperly constructed upon the plaintiff, when the law placed the burden of proof of showing that the locomotive was properly handled and properly constructed and equipped upon the defendant, the giving of such instruction on the question of the burden of proof was prejudicial to the plaintiff and was reversible error.

Judgment for defendant in Circuit Court, Limestone County, here reversed and remanded in Supreme Court of Alabama.

COFFMAN, ETC., VS. LOUISVILLE & NASHVILLE RAILROAD CO.

63 Southern, 527. (November 13, 1913.)

Digitized by Google

(*Continued from Page* 112)

sation law, to avoid question of constitutionality. It has passed the Senate, but is expected to be amended by the House. Governor Glynn says he will not sign it if it is mutilated.

Senate Bill 293 (Patten) (House Bill 423, McElligott identical) exempts cities of more than 400,000 inhabitants, having municipal fire marshals, from the jurisdiction of the State fire marshal. But in these cities the municipal fire marshal is to prepare and forward such reports as to fires and other matters relating to his department as the State fire marshal may require, and the State fire marshal is also to inspect buildings and institutions owned, controlled or supported by the State within such cities.

Senate Bill 323 (Wende) provides that except for experimental purposes no person is to conduct blasting operations or handle blasting explosives without a certificate of fitness issued by the State fire marshal after examination of the applicant. The State fire marshal is authorized to appoint examiners of at least three years' experience as blasters, at annual salaries of $3,000.

House Bill 338 (Ittleman) inserting in the Insurance Law a new section (88-a) providing that after premiums have been paid for three years on any policy of prudential or industrial insurance after January 1, 1915, such policy is to be binding upon the company as extended term insurance for its face amount even though default be made in the payment of any premium. When there has been a default after premiums have been paid for five years, the holder of the policy may, within 13 weeks from the date to which premiums have been paid, elect, in lieu of extended insurance, to surrender the policy to the company and receive in exchange a paid-up policy; or to surrender the policy with the assent of the person to whom it is payable, and receive its value in cash within 60 days.

House Bill 362 (Karutz) inserting in the Insurance Law a new section (91-a) providing that after June 1, 1911 (*sic*) every life insurance policy on which the premium is payable monthly or weekly must have conspicuously printed on it a notice to the effect that if there is default in payment of the premium or interest on the policy after it has been in force for three years, the policy is not to lapse or be forfeited, but is to have a paid-up or surrender value at the option of the insured.

House Bill 458 (Hinman) abolishing the office of State Fire Marshal.

Rhode Island

PROVIDENCE, February 5.—Bill introduced:

Senate Bill —— (Archambault) to double the amount of compensation payable for injuries to limbs; to increase the average weekly wage, and to provide presumption of dependence for parents of children under twenty-one killed during employment.

South Carolina

COLUMBIA, February 5.—Bill introduced:

House Bill —— (Wyche) abolishing the fellow-servant doctrine, and establishing the rule regarding contributory negligence by common carriers, and manufacturing corporations.

Virginia

RICHMOND, February 5.—The inaugural address of Governor Henry Carter Stuart on Monday advocated the adoption of "a fair and reasonable workmen's compensation act," and also favored a constitutional amendment to extend the legislative session to ninety days.

Bills introduced:

Senate Bill 217 (Katron) requiring juries to pass on all employers' liability matters.

Senate Bill 238 (West) defining "twelve o'clock noon."

Senate Bill 251 (Rinehart and Buchanan) relating to deposits of insurance companies.

The House bills by Mr. White, requiring contributory negligence to be pleaded, and regulating the liability of common carriers, seem to have been smothered in committee.

United States Congress

WASHINGTON, February 5.—A bill has been introduced by Mr. Johnson of Kentucky to prohibit firms from transacting both real estate and insurance business within the District of Columbia, or owning an interest in both kinds of business.

Another bill by Mr. Prouty forbids officers of insurance companies from owning an underwriting contract with a real estate or trust company.

Dektographs.

By Dek.

The gentleman who had been dining, and "wining" not wisely, but too well, was pursuing a rather erratic course homeward. Suddenly, round a corner of the street, came a fire engine in haste, sparks belching from its chimney, and a warm glow issuing from the open furnace door.

The gentleman halted and waved his umbrella.

"Hi!" he shouted, "hi!" But the engine dashed onward.

"Hi!" he said again. The engine rushed by, almost upsetting him in its headlong course.

The gentleman turned round and glared reproachfully after it. "Ver' well," he said thickly, "ver' well, old sport; keep yer old chestnuts."

When the grasshopper ceases to hop and the old cow quits her bawling; when the fishes no longer flop and the baby stops its squalling; when the dunners no longer dun and the hoot owl quits its hooting; when the rivers cease to run and the burglar stops his looting; when the vine no longer runs and the skylark stops its larking; when the sun no longer shines and the young man quits his sparking; when the leaves begin to drop and the old maids stop advising, then it's time to shut up shop and quit your advertising.—*Isle of Pine News.*

When Aurelius Paulus, the Roman consul, desired a divorce from his wife some friends reasoning with him asked: "Is she not beautiful and virtuous and of noble family and great wealth? What fault, then, can you find with her?"

And the consul stooped down, unfastened his shoe and, showing it to them, answered: "Is it not of fine material? Is it not well made? Does it not appear to fit excellently? Yet none of you knows where it pinches me?"

A gentleman who had been spending a holiday at a Scottish seaside village noted for its golf links asked one of the caddies if he got much carrying in the winter time. "Nae, sir, nae," replied the caddie. "There is nae carrying in the winter time. Ye see, it is this way. If it's nae sna' it's frost; if it's nae frost it's sna'; if it's neither sna' nor frost, it's rain; if it's nae rain, it's wind; an' if it's a fine day, it's the Sawbath!"—*Exchange.*

Lady—Sir, I wish that you could introduce a little change in your style of dancing.

Her Partner—How do you mean, madam?

Lady—You might occasionally step on my left foot instead of the right one.—*Exchange.*

The following was found near a movie show attached to a film of "September Morn": "Here is a brainchild—stark naked. If you will clothe it, or give it decent interment, then the responsibility for its appearance or disappearance will have passed from me to thee."

The bride read the recipe over and said,
"I'm really afraid that these onions are strong;
And it says, 'Under water's the best way to peel them,'
But I never can stay under water that long." —*Judge.*

Digitized by Google

MASSACHUSETTS BONDING AND INSURANCE COMPANY

T. J. FALVEY, President — **77-85 STATE ST., BOSTON**

ANNUAL STATEMENT AS OF DECEMBER 31, 1913

ASSETS		LIABILITIES	
Real Estate	$14,000 00	Premium Reserve	$1,386,215 91
Massachusetts State, County and Municipal Bonds	1,167,895 00	Claim Reserve	416,158 03
Other Municipal Bonds	115,720 00	Reserve for Taxes	47,771 45
Railroad Bonds	256,450 00	Reserve for other Liabilities	47,220 46
Miscellaneous Bonds	313,500 00	**Voluntary Reserve for Contingencies**	**150,000 00**
Bank and Miscellaneous Stocks	238,672 00	Total Reserves	$2,047,365 85
Cash in Office and Banks	497,603 99	Capital	1,000,000 00
Accrued Interest	23,561 01	Total Liabilities	$3,047,365 85
Premiums in Course of Collection	746,148 94	Net Surplus	343,507 89
Other Assets	17,322 80	Total	$3,390,873 74
	$3,390,873 74		

Surplus to policyholders..... $1,343,507 89

OVER 1000% INCREASE IN NET PREMIUM INCOME IN FIVE YEARS

Striking Evidence of

PERMANENCE, STRENGTH and BUSINESS-WINNING SERVICE

THE UNION CENTRAL LIFE INSURANCE COMPANY OF CINCINNATI

FORTY-SEVENTH ANNUAL STATEMENT, PAID-FOR BASIS FOR THE YEAR ENDING DECEMBER 31, 1913

ASSETS

Mortgage Loans.—Number 36,694 in 35 States, secured by first mortgage on real estate worth over $278,000,000 and interest accrued thereon	$76,484,480 70
Policyholders' Obligations.—Policy Loans, $15,450,517.72; Premium Notes, $2,080,635.20; Accrued Interest, Premiums Due	18,686,406 17
Real Estate.—Home Office Properties, $3,036,672.75; Land taken in foreclosure of 15 mortgages in 6 States, $39,224.26; and rents accrued thereon	3,076,922 26
Cash on Hand and in Banks, 98 per cent. of which is drawing interest	820,755 24
U. S. Bonds and Interest Accrued thereon; deposited with the Treas. of Virginia, the only bonds of any kind owned by the Company	24,625 00
All Other Assets	7,500 00
Total Admitted Assets	$99,100,689 37

LIABILITIES

Statutory Reserve	$79,355,504 00
Special Funds.—To the Credit of Life Rate End. and Surv. Div. Policies	9,511,410 00
Policy Claims.—Instalments not due; Proofs in process of examination or adjustment; Premiums paid in advance; Dividends due policyholders; Commissions and taxes contingent on the payment of premiums	1,916,194 28
Dividends Apportioned to Policyholders for 1914	3,446,692 79
Other Liabilities.—Sundry Accounts	133,492 66
	$94,363,293 73
General Surplus and Capital Stock.—Surplus from Participating business, $2,716,886.68; Surplus from Non-Participating business, $1,520,508.96; Capital Stock, $500,000.00	4,737,395 64
	$99,100,689 37
Receipts.—Premiums, $12,845,957.63; Interest and Rents, $5,599,777.06; Profit and Loss—Profit on sales of real estate and on other items, $82,810.33; Other Receipts, $992.76. **Total Receipts**	18,529,537 78
Disbursements.—Death Losses, $2,516,127.60; Endowments, $470,867.53; Life Rate Endowments, $1,898,072.39; Dividends and other payments to policyholders, $4,283,253.87; Taxes, $234,377.87; Commissions, administration, investment and all other disbursements, $3,050,654.47. **Total Disbursements**	$12,453,353 73
Excess of Income over Disbursements	$6,076,184 05
	$18,529,537 78

Total Insurance in force, $375,352,745.00; Gain during 1913, $27,413,541.00; New Insurance paid for during 1913, including revivals and increases, $51,118,572.00; Gain of $2,765,664.00.

Offices for rent in the Union Central's magnificent new office building. For Agencies, address **JESSE R. CLARK, Pres.; ALLAN WATERS, Supt. of Agents**

Digitized by Google

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY 1st, 1913.

Assets	$2,464,562.05
Surplus in United States	1,018,318.63

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.

OFFICE:
25 LIBERTY STREET.

ILLINOIS LIFE

INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

10 SOUTH LA SALLE AT MADISON STREET

THE TRAVELERS INSURANCE COMPANY

HARTFORD, CONNECTICUT

Brief Summary of Annual Statement of December 31, 1913.

Total Assets	$87,767,387
Total Reserves and all other Obligations	77,045,159
Surplus to Policyholders	10,722,228

RECORD OF 1913.

New Life Insurance Paid For	$56,328,107
Increase in Life Insurance in Force	35,854,992
Accident and Health Premiums	4,944,690
Liability and Workmen's Compensation Premiums	8,135,482
Total Premium Income	22,418,013
Increase for 1913	2,009,231

RECORD TO END OF 1913.

Life Insurance in Force—Paid for Basis	over $316,000,000
Total Number of Accident Policies Issued	" 6,511,000
Number of Accident Claims Paid to Policyholders	" 632,000

All men are prospects for more than one line of insurance; the agents who can supply their several insurance needs possess the greatest opportunities to increase their incomes.

LIFE INSURANCE, The Travelers with its remarkable yearly increases in Life Insurance in force, is the leading exponent of GUARANTEED LOW COST LIFE INSURANCE, which is growing most rapidly of all forms in public favor. The Travelers also offers in connection with its life policies a Disability Clause unequaled in liberality.

ACCIDENT INSURANCE, The Travelers continues pre-eminent. Its increase in Accident and Health premiums alone in 1913, exceeded the total writings of many companies, and was greater than its two leading competitors combined.

LIABILITY and COMPENSATION INSURANCE, The Travelers leads in service, experience and premiums.

We offer direct contracts to reliable and successful men, and thereby give them an opportunity to increase their incomes and make certain their future.

ALLY YOURSELF WITH THE TRAVELERS. Share its activity. Profit by its prestige. Seize the opportunities it offers to develop your business.

Digitized by Google

Massachusetts Fire and Marine Insurance Co.

Incorporated under the Laws of Massachusetts

HOME OFFICE, BOSTON

STATEMENT OF CONDITION
January 1, 1914
(Massachusetts Standard)

ASSETS

Stocks		$404,906 00
Bonds		757,100 00
Notes (Railroad)		24,750 00
Premiums in course of collection		112,274 83
Interest due and accrued and other Assets		8,698 25
Cash on deposit and in office		62,047 05
		$1,369,776 13

LIABILITIES

Reinsurance reserve (unearned premiums)		$499,081 05
Losses in process of settlement		71,675 35
All other claims		10,406 25
Capital	$500,000 00	
Net surplus	288,613 48	
Surplus to policyholders		788,613 48
		$1,369,776 13

OFFICERS

Everett C. Benton.....President
James J. Storrow.....Vice-President
Walter B. Henderson.....Vice-President
Walter Adlard.....Secretary and Managing Underwriter
John J. Downey.....General Agent
Guy A. Ham.....General Counsel
Frank E. Buxton.....Assistant Secretary

GEORGE BERRY, Managing Director
L. P. TREMAINE, Secretary

Berry, Tremaine & Company

INCORPORATED

No. 123 William St., New York City

GENERAL AGENTS

Allemannia Fire Ins. Co., New York State (except Suburban and Metropolitan).

Austin Fire Insurance Co., New York State.

Central National Fire Ins. Co., States of New York and New Jersey.

Commonwealth Fire Ins. Co., New York State.

German-American Fire Ins. Co., Pennsylvania, States of New York and New Jersey.

New Jersey Fire Insurance Co., New York State.

Philadelphia Underwriters, Phila., New York Suburban.

Republic Underwriters, Dallas, New York State.

NORD-DEUTSCHE
INSURANCE COMPANY

OF HAMBURG, GERMANY.
ESTABLISHED 1857

Assets January 1, 1913		$882,862.76
Liabilities	" "	362,931.16
Surplus	" "	519,931.57

U. S. BRANCH, 123 WILLIAM ST., NEW YORK
J. H. LENEHAN, UNITED STATES MANAGER

OUR direct contract system places the Company in absolute touch with the individual agent, consequently merit is recognized. Several good openings are available for men who have had experience in handling men and developing territory. Are you interested?

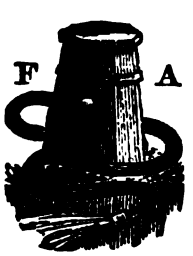
Pittsburgh Life & Trust Co.
Home Office, Pittsburgh, Pa.

W. C. BALDWIN, President
HOWARD S. SUTPHEN, Director of Agencies

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1914

Total Assets,	$8,781,315.14
Capital Stock,	750,000.00
Net Surplus,	2,460,931.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.



New York City Department
KELLY & FULLER, Agents
59 John Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

Prudential Policies
sell and satisfy.

Agents Wanted.

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

Digitized by Google

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:

80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:

Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:

Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:

444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

JOHN W. GUNN, Manager.
R. P. FABJ, Assistant Manager.

"IT PAYS TO WORK FOR

THE UNION CENTRAL"

LIFE INSURANCE CO.

OF CINCINNATI, O.

Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

OFFICES FOR RENT in the NEW UNION CENTRAL BUILDING

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JAN. 1, 1913

Assets,	$1,918,742.17
Capital,	500,000.00
Surplus to Policy Holders,	1,228,824.81

EDGAR J. HAYNES, PRESIDENT

THOMAS L. FARQUHAR, SECRETARY

The Oldest Fire Insurance Company in New Jersey.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1 1913

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
9,662,027
NET SURPLUS
9,576,398
ASSETS
21,238,425

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,772,913.99
Surplus	2,332,697.30
Total January 1, 1913	$7,855,611.29

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES

100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1912	$4,189,617.18
Total Liabilities, except Capital	2,009,611.93
Capital	500,000.00
Surplus to Policyholders	2,180,005.25

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

GERMANIA FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1913

Cash Capital	$1,000,000.00
Assets	$7,213,762.87
Net Surplus	$2,613,814.28
Surplus for Policy Holders	$3,613,814.88

HEAD OFFICE: Cor. William and Cedar Streets

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The Fifty-third Annual Statement of the Home Life Insurance Company, of which Geo. E. Ide is President, shows that most satisfactory progress has been made during the past year; that the gain in insurance in force is over five and one-half millions, the amount in force being now nearly $111,000,000. After providing for the various funds for the protection of the policy obligations, there remains upon a most conservative basis of valuation a surplus of nearly two millions, over and above the fund of two and one-half millions which is set apart for deferred dividends, an item ordinarily included in the surplus account. The payments to policyholders during the year amounted to nearly three millions, including over half a million dollars in dividends to policyholders.

"The Com'cl & Fin'cl Chron." 1-25-13.

For Agency Apply to

GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE — MARINE
RENT — INLAND
AUTOMOBILE
TOURIST — MOTORBOAT
LEASEHOLD — PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. — JOHN O. PLATT, Second Vice President
T. HOUARD WRIGHT, Secretary. — SHELDON CATLIN, Assistant Secretary

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS — HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

LIVE ARTICLES

ON

INDUSTRIAL SAFEGUARDS

(VOLUME I.)

A book dealing with the inspection of liability risks and the prevention of industrial accidents. Eighteen articles, fully illustrated.

CONTENTS

Steam Boiler Explosions (Illus.), by William H. Boehm.
Boiler Room Hazards, by Francis B. Allen.
Water-Hammer in Steam Pipes (Illus.), from "The Locomotive."
Fuel Economy and Boiler Insurance, from the F. & C. "Bulletin."
The Engine Room (Illus.), by Robert H. Pearson.
The Flywheel (Illus.), from the Travelers "Standard."
Electric Power (Illus.), by Robert H. Pearson.
Water Power (Illus.), by Capt. Charles H. Manning.
Grinding Wheels (Illus.), by V. H. Bartholomew.
Belt Shifting Device (Illus.).
Contractors' Liability (Illus.), by W. J. McCaffrey.
Contract and Construction Work, by Robert H. Pearson.
Sprinkler Leakage Insurance and Inspections (Illus.), by T. M. Donaldson.
Heavy Chemical Works (Illus.), by Francis Denison Patterson, M.D.
Workmen's Compensation, by E. W. De Leon.
Workmen's Compensation and Sprinklers, from the Sprinkler "Bulletin."
Liability Insurance Inspections, by Robert H. Pearson.
Accident Prevention, Applied to Razing (Illus.), by Mott A. Brooks.

Cloth Bound, 150 Pages, Pocket Size, $1.05 per copy
In quantities, $500 per thousand; $75.00 per hundred; $10.00 per dozen

The Weekly Underwriter, 80 Maiden Lane, New York City

THE INSURANCE ALMANAC

For 1914 (Now in Preparation)

A Book you will need daily for information about insurance matters. Reliable information in concise form, thoroughly cross-indexed for quick reference.

Company Information (covering all kinds of insurance).
- Officers, Directors, Territory covered, and Lines Written.
- Statistics for 1913.
- Life, Fire and Miscellaneous Companies.
- Lloyds, Inter-Insurers, Underwriters' Agencies, Etc.
- New Companies and those which ceased business in 1913.

Associations of Underwriters (National, State and Local).
- Who's Who, What they are, where and when they meet.
- Companies belonging to Unions and Bureaus, and other Associations.

The State—Legal Information, Etc.
- Governors, Insurance Department Officials, Etc.
- Congress and the Legislatures.
- Dates of forthcoming Legislative Sessions.
- New Laws enacted by the last Legislatures.
- **Workmen's Compensation Laws tabulated and compared.**
- Statutory Requirements in the different States.
- States having particular laws—Anti-Compact, Standard Policy, Etc.
- Fire Marshals, Salvage Corps, Fire Prevention Associations, Etc.

General Information of interest and value to insurance men at all times.

A BOOK OF PRACTICAL INFORMATION

Price One Dollar——Ten Dollars Per Dozen——Order Now

A Few Copies of the 1913 Edition Still Available

THE WEEKLY UNDERWRITER

EIGHTY MAIDEN LANE NEW YORK, N. Y.

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interest, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1913, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
(Note—Nearly all this Company's Ordinary Policies are Non-Participating — issued at low rates of premium.)	
Bonuses Apportioned, payable 1913, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

"CHEERFUL YESTERDAYS—CONFIDENT TO-MORROWS."

Our Field force is "Cheerful" over the yesterdays of 1913—both issues and deliveries were larger than in the phenomenal year 1912. Our field force is "Confident" in respect to the "To-morrows" in 1914. Already they have made a fine start, and they face the future fearlessly, filled with faith in their country, with pride in their business and with devotion to their Company. Occasionally we have an agency opening for a delivering producer.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

J. G. WALKER, President
E. D. HARRIS, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
A. S. HURT, Secretary. B. H. WALKER, Ass't Secretary.

Life Insurance Company of Virginia

Organized 1871.

HOME OFFICE, RICHMOND, VIRGINIA

OLDEST—LARGEST—STRONGEST Southern Life Insurance Company.

The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31 1912	**$8,470,628.54**
Liabilities, December 31, 1912	**6,992,626.35**
Capital and Surplus, December 31, 1912	**1,478,002.19**
Total Payments to Policyholders since organization	**12,986,813.35**

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
HAUGHTON, SMITH, STOKES & PACKARD, Resident Managers.....423 Walnut St., Philadelphia

Digitized by Google

1849 "OLD AND TRIED" 1914

Glens Falls Insurance Co.

GLENS FALLS, NEW YORK

Abstract from Sixty-fourth Annual Statement, January 1, 1914

Total Cash Assets	**$5,523,704 14**

LIABILITIES

Capital Stock	$500,000 00	
Unpaid Losses	209,896 00	
Reserve for Unearned Premiums	2,393,225 95	
Reserve for Taxes, Dividend, etc.	102,381 31	
		3,205,503 26
Net Surplus Over All Liabilities		**$2,318,200 88**

Income Exceeds Losses and Expenses	$354,327 28
Dividends Paid during 1913	185,000 00
Depreciation in Market Value of Securities	163,632 50
Increase in Unearned Premiums	66,985 85
Reduction from Cost of New Office Building to Rental Earning Basis	205,000 00
Decrease in Net Surplus	167,404 79

T. Y. BROWN & CO., Agents
77 William Street, New York
J. W. De MOTT, Agent
180 Montague Street, Brooklyn

1810—1914

Hartford Fire Insurance Co.

HARTFORD, CONN.

Abstract of Statement, Year ending December 31, 1913

ASSETS

Cash on hand, in Bank, and Cash Items	$880,171 29
Cash in hands of Agents and in course of transmission	2,490,858 15
Rents and Accrued Interest	275,231 39
Real Estate Unincumbered	737,600 00
Loans on Bond and Mortgage (1st lien)	453,166 67
Loans on Collateral Security	32,500 00
Stocks, at Market Value	3,426,980 87
Bonds, at Market Value	18,229,465 48
Total Assets	**$26,525,973 85**

LIABILITIES

Capital Stock, Fully Paid	$2,000,000 00
Reserve for Unearned Premiums	14,781,392 52
Reserve for Outstanding Losses	1,252,974 19
Reserve for Taxes and all other Claims	443,085 01
Special Reserve	500,000 00
Net Surplus	7,548,522 13
Surplus to Policy-holders	**$10,048,522 13**

R. M. BISSELL, President
WHITNEY PALACHE, Vice-President
JAMES WYPER, Vice-President
FRED'K SAMSON, Secretary
CHAS. E. CHASE, Chairman of Board of Directors
S. E. LOCKE, Secretary
D. J. GLAZIER, Rec. Secy. and Treas.
E. A. BOLMAR, Assistant Secretary

Western Department, Chicago, Ill.
DUGAN & CARR, General Agents
W. C. BOORN, Ass't General Agent
J. J. PURCELL, Ass't General Agent
H. W. MORRISON, Ass't Gen'l Agent

Pacific Department, San Francisco, Cal.
DIXWELL HEWITT, Gen'l Agent
ADAM GILLILAND, Ass't Gen'l Agent

Southern Department, Atlanta, Ga.
EGLESTON & PRESCOTT, Gen'l Agents

Texas Department, Dallas, Tex.
J. B. HEREFORD, General Agent

Agencies in all the Prominent Localities throughout the U. S. and Can.

EIGHTH ANNUAL REPORT OF THE

PHILADELPHIA LIFE INSURANCE COMPANY

FOR THE YEAR ENDING DECEMBER 31, 1913

ANDREW J. MALONEY, President **Home Office: N. E. Cor. Broad & Sansom Streets, PHILADELPHIA, PA.**

Balance Sheet—December 31, 1913

ASSETS

Investments in Municipal and General Bonds	$831,346 14
Mortgages on Real Estate, First Liens	1,785,850 00
Deposited in Banks and Trust Companies at Int'st, and Cash on Hand at Home Office	279,583 08
Loans to Policyholders	397,400 44
Premium Notes on Policies in Force	203,173 85
Premiums Due and Uncollected and Deferred Premiums, Less Loading	59,733 17
Interest Accrued	61,041 85
Real Estate	90,000 00
	$3,708,128 53

LIABILITIES

Net Present Value of All Policies in Force on December 31, 1913, as Computed by the Insurance Department of Pennsylvania on the American Experience Table of Mortality, with 3½ per cent. Interest	$2,763,700 55
Claims for Death Losses in Process of Adjustment	50,919 08
Dividends to the Credit of Policyholders	92,421 00
Premiums and Interest Paid in Advance	16,604 00
Taxes Accrued	11,521 00
Miscellaneous Liabilities	28,745 13
Capital Stock	560,320 00
Unassigned Funds (Surplus)	183,897 77
	$3,708,128 53

SUMMARY

Insurance in Force (Paid for)	$24,166,212 00
Admitted Assets	3,708,128 53
Increase in Assets	403,175 24
Reserve to Policyholders	2,763,700 55
Dividends to Credit of Policyholders	92,421 00
Dividends Paid Policyholders in 1913	66,756 11
Death Losses Paid in 1913	234,276 56
Death Losses Due and Unpaid	None
Total Paid Policyholders or Held for Their Benefit	4,672,389 05
Surplus to Policyholders	744,217 77

President, ANDREW J. MALONEY; Secretary, WILLIAM H. HUBBARD; Treasurer, FRANK G. COMBES; Actuary, ERNEST M. BLEHL, A.I.A., F.A.S.

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, FEBRUARY 14, 1914. No. 7.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

THE idea of a school for the instruction of its home office employees and agents in the principles and practice of insurance was first made effective, we believe, by the Equitable Life Assurance Society. The education received through this medium has been of great value to the students, and has enabled them to improve their material standing, as well as double their usefulness to the company and the public. The National Surety Company is another insurance institution which has made a business of improving the knowledge of its employees in the vocations to which they have in most instances devoted their lives. Sessions for instruction are held daily in the late afternoons, and at the close of each the students are given written examinations. They listen also to lectures on phases of their business from Frank L. Curtis, editor of the *National Surety News*. There are three classes of scholars under training, one of junior clerks, a second of women clerks and a third of office boys. In these days of encouragement of insurance educational movements, the value of making the office and local agency forces better insurance men and women should not be overlooked, and the examples we have cited should be generally followed.

IT is an encouraging sign of future progress in local fire prevention that the New York Board of Fire Underwriters and the new Fire Commissioner of the city have "got together" and arranged for mutual helpfulness. The hostility of the former official, Commissioner Johnson, toward the fire insurance companies, and his readiness to make them responsible and punishable for incendiarism, prevented any harmonious action between them; but Mr. Adamson, his successor, is an entirely different kind of a public servant, and almost his first proceeding has been to invite the co-operation of the fire underwriters in the fire-preventive work. The Commissioner found the Bureau of Fire Prevention under his jurisdiction in a deplorable condition when he took office. Notwithstanding the presence of a large clerical and inspecting force, numbering over two hundred, stagnation was prevailing, and more than eight thousand individual complaints of unsafe buildings which had been filed were receiving almost no attention. The Commissioner at once ordered the entire uniformed force of firemen to become inspectors of buildings, and these inspections will take place monthly. The fire underwriters can be of great assistance to the Commissioner in this supervisory labor, and their willingness and anxiety to do it is beyond question. It will prove the beginning of a new and successful era of protection against fire in Greater New York when the two bodies operate in unison.

THE Mutual Life Insurance Company has a history of seventy-one years. It was founded and began business in 1843, during the administration of President John Tyler and when the population of the United States was a sixth of its present total. The Mutual Life has grown even more marvelously than the country of its nativity, and some of its achievements appear in these following figures: Paid to policyholders since the beginning, over a thousand million of dollars, or, to be exact, $1,130,244,147, and still it holds in reserve for them more than half that stupendous sum, or $604,546,526. In those seventy-one years the company received from its policyholders $1,529,046,237, and the excess of benefits to them, therefore, has been $204,844,437. This record, as we have had occasion to say before, is truly wonderful, and has not been surpassed by any life insurance company in the history of the Institution. The statement of last year's business appears on the last page of this issue, and will prove interesting reading matter to all who are concerned in the insurance business. The company made the record in life insurance in the amount of dividends refunded to policyholders in 1913, which was $17,201,730, and its record will be even greater in 1914, when it will pay $18,076,541 in dividends to policyholders. Other notable points in the statement are that the amount of new insurance paid for last year was $165,124,377, a gain over the previous year of $8,056,554; that the total admitted assets are $607,057,044, an increase of $7,931,998, and that the insurance in force is $1,598,466,078, an increase of $47,578,015 over that of December 31, 1912.

LEGISLATION looking to federal supervision over the insurance business has been introduced in both houses of Congress, but it does not appear how the sponsors for the bills expect any result in the face of the Supreme Court decision. To be consistent, if they cannot be otherwise than preposterous, the bills should be amended so as to abolish the Supreme Court and consign its members to the Atlanta Penitentiary. The appeal of the South Carolina insurance commissioner to the federal government to take measures to require insurance companies to invest part of their receipts in the States in which they earn them has not met with a favorable reception thus far, judging from the special report of the Washington correspondent of a South Carolina paper. Senator Smith, of that State, it seems, called on the Attorney

Digitized by Google

General in behalf of Commissioner McMaster, and the government's legal adviser expressed the opinion (we quote) "that insurance is not a matter of interstate commerce, inasmuch as there is no tangible thing nor commodity actually shipped or sold, while a policy of insurance is merely a contract or a promise to pay under certain conditions and limitations." The correspondent adds: "It is not known what will be done, but it does not appear that any remedy is at hand, from a federal standpoint, as no element of the interstate commerce law is involved." It looks as if the federalists of the McMaster type will have to wait for the revolution which is to establish the socialistic republic, when we shall receive from paternal Washington even the salt with which we shall lawfully season our porridge.

Fire Insurance.

The growth of the **reinsurance business** in this country has been the subject of considerable comment in fire insurance circles in recent years, and it is interesting to note the progress of some of the pioneers in the reinsurance field. Notable among these is the **Rossia of St. Petersburg,** whose United States department is located at Hartford, Conn. During 1913 the Rossia's premium income was $6,720,641.35, and it received other income, interest, etc., of $663,670.78, making a total income of $7,384,312.13. The net losses paid aggregated $4.043,308.75. The United States branch remitted to its home office the handsome sum of $557,488.29, and this, with other expenditures, amounted to $2,574,856.74, making the total disbursements of the United States branch $6,618,165.49. The total admitted assets of the United States branch are $6,168,186.02, and the liabilities aggregate $5,265,091.26, of which $4,201,134.26 is reinsurance reserve. This leaves the neat sum of $903,094.76 as a net surplus at the beginning of 1914. It is interesting to note that the Rossia has in this country $693,955,411 insurance in force, and has incurred losses amounting to $4,285,523.75. This is eloquent testimony of the demand for treaty reinsurance by the great underwriting institutions of this country, and the fact that this business was conducted in 1913 with a loss ratio of 63.7 and an expense ratio of but 30 per cent. indicates that by careful and economical management this form of insurance can be carried on at a profit even in the face of stringent financial conditions and an unfavorable year in underwriting by the direct companies. The management of the United States branch of the Rossia is of the best, its direction being headed by Carl F. Sturhahn, United States manager, ably seconded by B. N. Carvalho, both of whom enjoy a wide acquaintance throughout the entire country.

The **Pennsylvania legislative fire insurance investigating commission** resumed its work this week, holding a series of sessions **at Pittsburgh,** where the line of inquiry was into the usefulness and necessity of rate-making by organizations of underwriters, particularly with regard to the work of the Allegheny County Board of Underwriters. The first witness was President Charles Gerwig, of the Teutonia. Mr. Gerwig referred to the prediction by Henry Evans that the fire insurance business of the country would in ten years be in the hands of thirty leading companies, and said that this was bound to become true unless companies were required to adhere to a fixed schedule of rates. He cited statistics to show the tremendous mortality among fire insurance companies, most of which was due to high losses and low rates. He pointed out that no fire insurance company can do business without a large surplus, owing to the severe reserve requirements. The maintenance of such a large surplus, he declared, justified the seemingly large dividends that some of the successful companies pay. The influence of political control on fire insurance rates was told by R. J. Trimble, secretary of the Allegheny County Board, who said that four cents was included in the key rate because the Pittsburgh fire department was under political control. He gave the other items making up the rate, and said that legislation conferring police power to force property owners to keep their property clean would do most toward lowering the fire insurance rate. The present hearing closed on Friday, although another session will be held at Pittsburgh later.

The **new law governing factory building** which became effective in New York State on February 1st will necessitate the remodeling of thousands of buildings or the reduction of the working forces therein. A statement by Labor Commissioner Lynch says:

"Let us assume that we have a factory building that is 150 feet long and 60 feet wide, with two stairways, one at each end at diagonal corners," says Mr. Lynch. "The stairs are 4 feet 6 inches wide between stringers, or 3 units of 18 inches. The height from floor to floor is 11 feet 4 inches, or sufficient to allow fifteen persons per stair unit. The capacity of each stairs is forty-five. The combined capacity of the two stairs is ninety persons. If the building is equipped with a proper automatic sprinkler system the capacity of the stairs is increased 50 per cent. We find, therefore, that in a room containing 9,000 square feet of floor space, assuming all conditions to be of the best, 135 persons may be employed. If such a building were divided in the middle by a fire wall properly erected and fitted with fire doors, it would contain two areas approximating 4,500 square feet. Assuming that one-half of such space were occupied by machinery, tables and stock, there would still remain 2,250 square feet of free floor space. And under this law such free floor space would permit the employment of 450 persons upon the entire floor. This example emphasizes the value of a fire wall, for it is not only an effective barrier against the progress of fire, but sustains a most important relation to the number of persons who may occupy factory buildings.

The **Missouri Insurance Commission** has completed its two weeks' tour of the State, in which it has held metings in every section. The next hearing will be in St. Louis, and the commission has decided that it will not consider any tentative drafts of proposed legislation until all the hearings have been completed and the necessary data accumulated. In the sixteen meetings held remarkable unanimity of sentiment developed as to certain features of the proposed insurance legislative programme. No objection was heard anywhere to the enactment of a fire marshal law, or to the inclusion of instruction on fire prevention as part of the regular course of work in the public schools. There was not the same unanimity as regards the proposed repeal of the valued policy law; but considerable sentiment was developed in favor of this and more in favor of material modifications of the present statute. As regards fire insurance rates it is believed that the consensus of opinion will favor permitting the companies to make the rates through a co-operative bureau under the supervision of the insurance department, these rates to be mandatory and nondiscriminatory.

The **inter-insurance** companies have agreed to the bill which has been favorably reported by the Mississippi House Committee on Insurance. Insurance Commissioner Henry has always contended that these companies should make a general statement, appointing him agent for service, giving him the right of revocation and examination, and that they should pay substantially the same fees and taxes as other fire insurance companies. All of these principles are recognized in this bill. In addition Commissioner Henry stipulated that they should pay the taxes, amounting to $1,600, for the past years in which they have done business in Mississippi. This was also agreed to. Thus has ended a fight extending over more than four years, and which became acute after Commissioner Henry won his case against these companies before the State Supreme Court four years ago. That was the first decision rendered by any court of last resort

Digitized by Google

on that question, and it fully sustained the contentions of the insurance commissioner, which a subsequent act of the legislature endeavored to set aside.

The **January losses by fire** in the United States and Canada as compiled by *The Journal of Commerce* aggregate $23,204,700, being an increase of more than three millions over the figures for the first month of 1913. The following is a comparison of the January losses with those of the same month in 1913 and 1912:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700

"It will be noted," says our contemporary, "that the January, 1914, losses exceed those of January, 1913, by over $3,000,000. During the latter part of last month and running into February there were expensive fires in the Southwest, particularly on cotton and sugar house risks. Chicago has furnished a full quota during 1914 so far and altogether the new year has opened up unfavorably for the fire underwriters."

The annual **fire loss in Charleston, S. C.,** during 1913, as shown by the annual report of Chief Behrens, is $87,655.30. Property at risk was valued at $1,596,524.72. Insurance at risk was $1,350,861. The uninsured loss was $821. Two fires caused a loss of over $72,000, the Clyde Line pier fire being the largest of the year, causing a loss of slightly over $50,000, and the Standard Grocery Company fire, causing a loss of nearly $22,000. Chief Behrens in his report recommends that the city buy a new motor combination chemical engine apparatus. The most notable improvement in the department during the year was the organization of the marine fire fighting service. The losses of other cities of approximately Charleston's size for the year 1913 were as follows: Augusta, $323,670.91; Atlanta, $346,014; Jacksonville, $208,381; Savannah, $942,243.75.

The **decision** of Judge Skinner, of New Orleans, who has granted a writ of mandamus to compel the Secretary of State to issue a fire insurance solicitor's license to one James M. Duran, **will be taken to the higher courts.** Louisiana has an anti-rebate law, and it has been evaded, according to Secretary of State Hebert, by a large number of prominent business men, who have applied for a solicitor's license merely to save the commissions on their own insurance. This intention was plainly declared by Duran in his suit for the writ. The companies and Mr. Hebert claim that this decision legalizes violations of the anti-rebate law, and if it is sustained by the higher court, a bill for a law to prevent any one from writing his own insurance will be introduced at the next session of the Louisiana Legislature.

In addition to the statistics prepared last year by the Committee on Publicity and Education of the Western Union, **refuting the charge that overinsurance is responsible** for a large proportion of fires, the statistics on New York City fires show that less than 6 per cent. of the losses reveal overinsurance. In more than half of these cases the overinsurance is due to fluctuation in stocks or other natural conditions and involves no feature of moral hazard. This contrasts with the statement of some state fire marshals that from 25 to 75 per cent. of the fires are due to overinsurance. The explanation of this statement is that as a rule only suspicious fires are investigated by the fire marshals, and it is in these that overinsurance is most apt to develop.

Notwithstanding the Underwriters' Association of New York is the only rate-making body recognized by the New York Insurance Department for the territory of New York State outside of metropolitan and suburban territory and Buffalo, the **Troy Board of Underwriters** has come out with a strong circular stating that rates in that city are altogether wrong and that by action of the board the proposed new rates have been tabled and the old specific rates continued. The circular places the responsibility on the board, and is evidently sent out to companies to relieve the agents of any blame. The companies will undoubtedly continue to be governed by the law with regard to rates at Troy.

The **conflagration hazard at Reading, Pa.,** is moderate, but the fire department inefficient according to the engineers of the National Board of Fire Underwriters. The engineers say:

> In the principal mercantile district nearly all buildings are joisted brick, mainly small and low, but of weak construction; streets are of moderate to good width, high winds infrequent and the water system adequate; overhead wire obstructions are bad, the fire department is inefficient and not equipped for serious fires and the fire alarm system is unreliable; the probability of fire involving a part of a block is high, but the liability of extending beyond is moderate. Manufacturing plants are fairly well equipped and are isolated or surrounded by brick dwellings, with non-combustible roof coverings and the conflagration hazard is small.

The new method of **fire prevention work in Manhattan** under Fire Commissioner Adamson is already proving successful. Every first-grade fireman has been made an inspector, and every building of a certain class is to be inspected once a month. The order has been in effect three weeks, and a large number of standpipes, private protection equipments, etc., have been found in bad condition and have been remedied on verbal order of the inspector. The firemen are enthusiastic over the change, and there is every prospect for an improvement as the work progresses.

At the annual meeting of the **Eastern Automobile Conference** this week the following officers were elected: President, W. F. Whittlesey; vice-president, F. W. Day; secretary, Sidney R. Kennedy. The executive committee is as follows: Douglas F. Cox, chairman; C. K. Yungman, F. Herrmann, William R. Hedge, J. Purviance Bonsal, Hendor Chubb, C. F. Timberlake, L. R. Bowden, W. L. H. Simpson, H. E. Eddy, J. Marshall, Jr.

The **New England Bureau of United Inspection** has elected the following officers for the ensuing year: Chairman, Charles D. Palmer; vice-chairman, Edward C. Brush; treasurer, Clifford H. Rice; clerk and manager, Edward A. Northey. A governing committee of nine and a finance committee of three were also elected. Mr. Brush, who has been chairman for many years, declined a re-election.

Believing that improvements have been made which relieve the city from any possible danger of conflagration, **Baltimore** is now asking for a removal of the **congested district** restrictions from a large part of the territory now covered. The movement has the backing of many agents and underwriters. The matter is to be brought to the attention of the Eastern Union, which has jurisdiction.

An address on **"The Inspector and the Insured"** will be given by F. M. Griswold, general inspector of the Home, before the Insurance Society of New York on February 24th, in the board room of the New York Board of Fire Underwriters. Mr. Griswold has had wide experience in inspection work and is regarded as an authority on such matters.

A significant admission has been made by Governor Cox of Ohio, where the special session of the Legislature has passed without the adoption of the inimical legislation which a few weeks ago seemed unavoidable in the then pending special session. The governor says that the antagonism to fire insurance was **due to ignorance of the facts and misunderstanding of the situation** on the part of Ohio citizens.

Digitized by Google

The semi-annual meeting of the **Illinois Association of Local Fire Insurance Agents** will be held February 18th at the Hotel La Salle, in Chicago. It will be strictly a business session, with no set papers and no banquet. Among the matters to be considered are the advisability of introducing an anti-agents' qualification bill at the next session of the Legislature.

The plan **to increase the capital stock** of the Westchester Fire was approved by the stockholders on Tuesday, and $200,000 additional stock will be issued at once, raising the capital to $500,000. The new stock will be sold at 400, adding $800,000 to the company's assets.

The **Fire Insurance Society of Pittsburgh** has elected the following officers for the year ensuing: W. L. Clark president; W. D. McGill, first vice-president; Smith Wilson, second vice-president; R. J. Trimble, third vice-president; P. E. Zimmerman, secretary; C. C. Kohne, treasurer.

The companies writing **parcel post insurance** report an unfavorable experience, due to many small losses, and a revision of the rates is expected to be made. The Post-office Department has not been able to successfully trace misdirected articles, which class furnishes most of the losses.

At the annual meeting of the **Fire Underwriters' Association of the Pacific,** held at San Francisco, R. C. Medcraft, Western manager of the Commercial Union and Palatine, was elected president; H. P. Blanchard, of the Fireman's Fund, vice-president, and Calvert Mead, secretary and treasurer.

The loss returns of thirty-four companies transacting fire insurance in **Mississippi** show a **loss ratio** of 77.3 per cent., the highest for several years. The marine business has also proven unsatisfactory. There are ninety-one fire insurance companies operating in the State at present.

The **British America** and **Western Assurance** companies have elected W. R. Brock, formerly vice-president, to be president, succeeding the late George A. Cox. W. B. Meikle was made vice-president and general manager of both companies.

It is being planned to hold the March meeting of the executive committee of the **Southeastern Underwriters' Association** in the city of New York on March 11th, at a place to be hereafter designated.

The **Cleveland National Fire** has completed its organization. It will commence writing business on March 1st with a capital stock of $700,000 and a surplus of $400,000. Carroll L. De Witt is the managing underwriter.

The **Suburban Fire Insurance Exchange** has elected the Stuyvesant, the Pacific Fire and the Insurance Underwriters to membership.

The **Vulcan Fire of New York** has resumed writing in six States—New York, New Jersey, Pennsylvania, Ohio, Indiana and Illinois.

A **special meeting** of the Suburban Fire Insurance Exchange will be held on **February 17th.**

Life Insurance.

In the course of an address by Insurance Commissioner A. L. Welch of Oklahoma to the Life Underwriters' Association of the Eastern District of Oklahoma at Tulsa recently, Commissioner Welch referred to the beneficent character of life insurance and then made the following allusion to the **importance of the life insurance agent:**

> Without you, this great business would not be what it is to-day—the agent is indispensable. The "over the counter" idea of selling life insurance is but a dream. Eliminate the agent and we would soon begin anew the erection of poorhouses, our institution for the criminals would soon be full to overflowing, and men would, in their mad rush for money, forget the uncertainty of life. Thousands upon thousands would die without insurance and leave unprotected widows and orphans, and then would be emphasized the picture drawn by the Rev. T. De Witt Talmage, in his sermon on Life Insurance, when he said: "Ah, they are the victims of want; in many cases the forecast of parents and grandparents might have prohibited it. God only knows how they have struggled to do right. They prayed until the tears froze on their cheeks, they sewed on the sack until the breaking of day; but they could not get enough money to pay the rent; they could not get enough money to decently clothe themselves; and one day in that wretched home the angel of purity and the angel of crime fought a great fight between the empty bread tray and the fireless hearth, and the black-winged angel shrieked, 'Aha, I have won the day!'"

The directors of the **Fidelity Mutual Life** of Philadelphia at their regular meeting on Tuesday adopted a highly eulogistic resolution on the death of the president and founder of the company, L. G. Fouse. We reproduce two paragraphs of the resolution, as follows:

> The Fidelity Mutual Life Insurance Company was conceived by him thirty-five years ago, and under his continued presidency has grown to the splendid position it now occupies in the insurance and financial world. He brought to the work of this company all the energies of a powerful mind, an unclouded vision, and a strong executive genius. A born organizer and builder, with that patient, unswerving devotion to a purpose and that capacity for infinite detail which marks constructive talent, he possessed also the clear-eyed imagination, the almost prophetic zeal of the explorer and discoverer who ever leads the way to new and greater fields.
>
> Nor has the company of which he was president for so many years alone benefited by his genius and labors. The life insurance business at large has gained in strength, in ideas, and in ideals, by his connection with it. The independence of thought, the imagination to conceive, and the courage to test conception, gave, not only to his own company, but to all life insurance, many of its best and most advanced features. The high purpose, the sincere belief in the dignity and public benefit of insurance as an institution which he carried into all his work made that business a better business for all who are engaged in it.

The Internal Revenue Department at Washington has ruled that **renewal commissions** of life insurance agents on policies renewed prior to March 1, 1913, are **subject to the income tax.** The question was submitted to the department by President Clark of the National Association of Life Underwriters, representing a number of agents. The protestants contended that renewal commissions were previous earnings and part payments of the original compensation. Some companies pay only a first commission and no renewals, and since in such case there would be no questions that commissions on business written prior to the time when the income tax went into effect would not be covered, it is held that this should apply to deferred payments on previously earned commissions. The Internal Revenue Department held, however, that if the number of renewal commissions payable were fixed and specific the exemption might be granted. These deferred payments, however, are contingent on the life of the assured and the persistency of his premium paying, and are therefore speculative rather than specific, and are held to be taxable.

The Northwestern National Life of Minneapolis makes the following announcement of a number of **important agency appointments:** "Will T. Smith, formerly with the Equitable of Iowa, and later superintendent of agents of the Des Moines Life, has been put in charge of the Arkansas and Oklahoma agencies, supplanting W. B. Collins. Mr. Smith is one of the best-known agency organizers, and a new impetus and increased development are confidently expected in these States. John E. Bing

Digitized by Google

has been appointed district agent at Aberdeen, South Dakota, with territory embracing adjoining counties. A. W. Crary, of Minot, North Dakota, for some time the leading personal producer of the company, and Thomas Turner, of Devil's Lake, North Dakota, who jointly wrote one and a quarter millions in 1913, have consolidated under the firm name of Crary & Turner, and have undertaken the organization of North Dakota for Northwestern National, with offices and headquarters at Fargo. F. E. Pyeatt, formerly secretary of the company, will have charge of the office management."

The *Chicago Record-Herald* says: "A lively contest developed at the annual meeting of the **Pioneer Life of Kansas City.** Last year the Republic Life of Kansas City was merged with the Pioneer Life of Cleveland, Ohio, under the latter name, and with W. S. Tupper of the Pioneer as president. The Kansas City interests charge that the Cleveland people have been trying to use the company for stock-jobbing purposes, and sought to regain control at the annual meeting. A deadlock developed over the right of certain stock to be voted, and the police had to be called in. An injunction was procured by the Kansas City interests, but Insurance Commissioner Revelle intervened in the matter. As a compromise each faction was permitted to elect four directors, with W. K. Chorn, actuary of the Missouri Insurance Department, as the ninth director, holding the balance of power. It was only by making this arrangement that the appointment of a receiver was prevented. Wilbur S. Tupper, former president of the Pioneer Life, and Milton S. Koblitz, its attorney, were not re-elected as directors."

The **Life Underwriters' Association of New York** has practically perfected the arrangements for the **annual meeting and dinner,** which will be held at the Hotel Astor on Tuesday evening, February 24th, beginning at 7 o'clock. The speakers of the evening will be the Hon. John Purroy Mitchell, Mayor of New York; Hon. James C. Cropsey, District Attorney of Kings County; William W. McClench, president of the Massachusetts Mutual Life, and Royal S. Goldsbury, president of the Pittsburgh Life Underwriters' Association. A prominent officer of the Prudential is also expected to be among the speakers. The tickets for the dinner are selling rapidly, and it is believed that over 300 will be present. The dinner committee consists of T. R. Fell, 71 Broadway, Chairman; **D. G. C. Sinclair, F. H.** Rhodes, Wm. F. Atkinson, Julian S. Myrick, Bernard R. Rose, Wm. N. Compton, Charles Jerome Edwards, Robert R. Reid, Lawrence Priddy, Conrad V. Dykeman, John N. Ryan, Perez F. Huff, W. H. Ryan and S. S. Voshell.

A series of **lectures on various phases of life insurance** will be delivered under the auspices of the Department of Economics of the University of Syracuse and the Life Underwriters' Association of Syracuse in the lecture room of the university in that city by Charles W. Scovel, former president of the National Association of Life Underwriters. The following is the programme:

February 23—"Services of Life Insurance to the Community—Economic, Social, State operation, regulation and taxation."

March 9—"Life Insurance, the Applied Science—Premiums, Reserves, Policies, Special Lines—Sub-standard, Industrial and Group. Administration and Investment."

March 23—"Services for Individuals—For old age, for the estate, for the business, for the family."

April 6—"The Life Insurance Agent—His necessary service, field responsibility, education and training."

One lecture of the series was delivered last week, the subject being the history and growth of life insurance and its purposes.

At a meeting of the Life Underwriters' Association of Rochester last week President Ernest Judson Clark, of the National Association of Life Underwriters, said that a new and more **modern style of advertising is needed** if the agent would do business direct with the general public. Statistics fail to interest the prospective applicant, but the human interest appeal is most effective. He advocated an effort to have the newspapers print matter based upon life insurance themes. Mr. Clark said that the application of special knowledge is growing into the professional spirit of the life insurance agent. A broader spirit of service and a larger fund of technical knowledge is needed by the life underwriters of to-day. This is so because of the growing number of policies and their intricacies. In consequence the insured must depend largely upon the advice and assistance of the agent.

The report of the **Massachusetts** bank commissioner for 1913 makes the following statement with regard to the volume of **savings bank life insurance** transacted:

The fifth full financial year of Savings Bank Life Insurance ended October 31, 1913. This report includes the annual statement for the year of the four banks which have undertaken the business of life insurance under Chapter 561 of the Acts of 1907.

The four banks are the Whitman Savings Bank of Whitman, the People's Savings Bank of Brockton, the Berkshire County Savings Bank of Pittsfield, and the City Savings Bank of Pittsfield.

These banks issued during the year ending October 31, 1913, 2,391 policies, representing $960,211 of insurance. There were also 36 old policies revived, amounting to $12,090 of insurance. The net gain is 1,392 policies for $621,997 of insurance. There were in force in all four banks on October 31, 1913, 8,054 policies for $3,150,806 insurance, with annuities representing annual payments of $10,500.

The thirty-fifth **annual statement of the Fidelity Mutual Life** of Philadelphia brings notice of the largest apportionment for dividends to policyholders in the history of the company. Notwithstanding the unfavorable year, this company progressed substantially, and its total assets are now $28,896,392.82. The income for the year was over six millions, of which more than two millions was added to the assets. The insurance in force at the end of the year was more than $133,000,000, and the company has paid to policyholders and beneficiaries in the thirty-five years more than thirty million dollars. The company is purely mutual and all its profits are distributed among its policyholders, whose participation for the present year, as stated, will be exceptionally large.

In December, 1913, the **New York Life** paid in death claims, cash values, dividends and annuities $8,099,335.68; to living policyholders, $5,220,465.26; and to the beneficiaries of 923 policyholders who died, $2,878,870.42. The causes of death of the 923 policyholders who died that month were: Heart disease, 109; consumption, 93; bright's disease, 73; apoplexy, 62; cancers and tumors, 61; accidents, 52; pneumonia, 50; diseases of digestive organs, 31; paralysis, 26; bronchitis, pleurisy, etc., 25; diseases of arteries, 24; liver disease, 22; blood poisoning, anemia, etc., 19; typhoid fever, 15; diabetes, 10; appendicitis, 9; spinal disease, 9; old age, 7; nervous prostration, congestion of brain, etc., 2; rheumatism, 1; all other causes, 223.

The **Utah Insurance Department** has made the following **ruling** regarding the solicitation of industrial life insurance policyholders for ordinary policies:

The department rules that it is contrary to ethical principles for the agents of any ordinary company to make a campaign among the holders of industrial policies. If any policyholder voluntarily offers to change from the industrial to the ordinary form, each case should be carefully investigated by the company that placed the industrial policy. If it is found that it would be to the advantage of the policyholder to make the change, the original company should make it, giving to the insured the benefit, in the transfer, of any values attaching to his industrial policy.

At a regular meeting of the Board of Directors of the **Manhattan Life,** held on Wednesday, Walter N. Stanley was

Digitized by Google

elected actuary of the company. Mr. Stanley, who since May, 1912, has occupied the office of assistant actuary, became connected with the actuarial department of the company in 1890, and prior to his appointment as assistant actuary he was for many years chief clerk of the actuarial department. Mr. Stanley is an associate member of the Actuarial Society of America, having been enrolled in May, 1902.

The Pittsburgh Railway Company has taken out a **blanket life insurance policy** covering every employee from president to office boy who has been in the maintenance of way, barns and shops, overhead lines and substations departments for more than a year. The entire general office force and the monthly employees of the transportation department are also included. Payment to the family of a deceased employee who served two years will be one year's wages, and for the one-year men half a year's wages, payable monthly. No monthly payment is to exceed $200.

After **insuring his life for the benefit of his wife,** who is said to be in an asylum, Philip Hedwig, forty-one, committed suicide by gas early Monday at his boarding place, No. 122 National Avenue, Corona, L. I. He was a metal worker in the Tiffany art studios in Corona. Mrs. Ella Griffin, landlady of the house, found him dead. She told the police Hedwig tried to kill himself in the same manner a month ago, but was discovered in time to save his life.

Harvard graduates of last June voted at their first reunion at Boston last week to take out twenty-year endowment life insurance policies as a means of raising a fund of $100,000 to be presented to the university on the twenty-fifth anniversary of their graduation. The class will decide to what purpose they wish the fund devoted at the time of making the presentation. The dividends that are paid on the policies will be used to pay the expenses of the class reunions.

The next meeting of the **Manhattan Club of the Manhattan Life** will be held in San Francisco immediately after the opening of the Panama-Pacific Exposition. February has been designated as "Manhattan Club month," for the purpose of permitting each agent to signify his intention of qualifying. January's new business was 150 per cent. of that of last year, indicating to Vice-President John F. Roche that the company will make the allotment assigned for the year 1914.

At the annual meeting of the **Philadelphia Association of Life Underwriters,** held on February 2d, officers were elected as follows: John R. Fox, president; E. O. Mosier, T. L. Fansier and Louis F. Parret, vice-presidents; John William Clegg, secretary; Clarence A. Wray, treasurer. The annual dinner took place at the Continental Hotel, and the principal address was made by Vice-President Frankel of the Metropolitan Life.

The bill introduced in the **Mississippi** legislature known as the **compulsory investment bill** affecting life insurance companies will probably be heard in committee soon. It is understood that the bill has considerable backing in the House if it ever passes the committee. This is considered very doubtful. It is said that the bill is an exact copy of the original draft of the Robertson law of Texas.

The New York Life has instructed all its employees and representatives that the company **has made no deductions** whatever on account of the income tax, and that those who are affected by the law should include in their report all moneys received from the company.

The **Life Underwriters' Association of Central Massachusetts** at its annual meeting at Worcester elected officers as follows: Edward A. Robertson, president; Eli Bouchard, first vice-president; Charles H. Sagar, second vice-president; Guy F. Wheeler, treasurer; Otis D. Arnold, secretary.

The Connecticut General Life has started an action **to recover internal revenue taxes** for 1909 and 1910, and the Connecticut Mutual Life has begun a similar case. Both are like the action just won by the Mutual Benefit Life of Newark.

The insurance commissioner of Mississippi has again declined to license the **International Liberty Union of the World,** owing to the many unfavorable reports concerning the management of this organization.

The Western Life and Accident Company of Denver, Colo., has applied for a **license in Mississippi,** and the National Benevolent Society of Kansas City, Mo., will apply for license March 1.

The **Detroit Life Underwriters' Association** has elected the following officers: President, H. Zacharias, Connecticut Mutual Life; secretary, John A. Sitlay, Northwestern Mutual Life.

The **New York Life** has declared an **extra dividend** of 10 per cent. on the annual premium on the fifth anniversary of the contribution annual dividend policies taken in 1909.

The annual **mid-year meeting of the executive committee** of the National Life Underwriters' Association will be held in New York on April 20th.

The **Myrick general agency** of the Mutual Life has written $1,000,000 of business in January and has set its mark for $12,000,000 during 1914.

The Fidelity Mutual Life announces that its **convention of leading agents** will be held at Atlantic City June 24th-29th.

The Southern States Mutual Life of Charleston, West Virginia, has **changed its name** to the George Washington Life.

The capital stock of the **American Life and Accident** of Portland, Ore., has been increased to $150,000.

Casualty Insurance—Surety Bonding.

The appointment of **Professor Albert W. Whitney** as manager of the Workmen's Compensation Service Bureau presages a campaign of education which will enlighten the public with regard to the position of the companies in the matter of workmen's compensation insurance. Professor Whitney resigns as associate actuary of the New York Insurance Department to take the position, and will make the change on Monday next. He is thoroughly competent in workmen's compensation matters and his attitude is expressed in the following extract from his statement to the bureau at the time of his election:

I believe that the State should not enter into business unless the need therefor can be shown, that is, the burden of proof is upon the State to show why the business should not be left to private enterprise. I believe, therefore, that the only legitimate way, and far the most effective way in which your bureau can oppose State insurance is to make your service so efficient and so thoroughly in the interests of the public, as to make State insurance unnecessary. I believe very strongly that the only permanently satisfactory basis for business is that in which the interests of the server and the served are identified, in which the server finds his welfare not in aggression, but in the efficiency of his service, in which the served is best served when he does not impose undue restraint. I believe this is the basis on which business will increasingly be done. If to forward your business along these lines is the purpose of your bureau, I assure you I can very heartily and enthusiastically join in the work.

Digitized by Google

The case of the Chicago and Erie Railroad Company *vs.* Lain, decided by the Supreme Court of Indiana, arose out of an action for injuries caused by the **alleged negligence of a railroad foreman** and other railroad employees while the appellee was executing a special order in attempting to move a car by placing his shoulder against it and his feet against an adjoining car on the track. It appeared that while so situated the string of cars against which his feet were placed was bumped, and he was injured. The court held that in order to make the railroad company liable the order by the foreman did not need to be negligent of itself, but that if after giving it his negligence contributed to the injury the company was liable in case the appellee used due care; that it was not negligence for the appellee to attempt to move the car, using the other car as a resistance basis in dependence upon the order and the duty of the foreman to protect him, and that the appellee was within the protection of the employers' liability act of 1893 when as a "yard and bridge man" he was ordered to move the car and was injured by the movement of cars or train.

In an editorial on the **pending workmen's compensation measure** in the Virginia legislature, the Richmond *Evening Journal* says:

> The employee should be compelled to exercise the same degree of care against being hurt as the employer is required to exercise in order to prevent his being injured. The bill pending in the Legislature should be amended so as to eliminate the provision that the negligence of the employee shall not be a bar to his recovering damages for injuries. To allow the bill to go to the statute books containing this provision would be to deprive it of the very feature which would accomplish the highly desirable result of greater safety for employees in industrial establishments. The employer, even from purely selfish motives, might exercise every possible care to make employment safe, while the careless and negligent workman would or could render such safeguarding of little or no avail. It is unfair to the employer to require him to compensate an employee for injuries due to his own negligence, which would prevent his recovering damages in court, and unfair to the careful employe, injured in spite of the care which he exercised, for such employe would be held down to the same measure of compensation as his negligent fellow-worker would receive. If the bill contains this provision, and that is our interpretation, employers and workingmen should unite to have it amended in the manner we have suggested.

The **New Amsterdam Casualty** announces the organization of its **surety department,** which will be conducted from its branch office at Baltimore, in charge of Vice-President J. Arthur Nelson. The following **appointments** have been made: Edgar F. Dobson, former assistant secretary and assistant superintendent of the fidelity department of the Fidelity and Deposit Company, to be superintendent of the fidelity department of the New Amsterdam Casualty Company; J. Dougherty Mahon, former assistant secretary and superintendent of the public official department of the Fidelity and Deposit Company, to be superintendent of the contract and public official departments; Earle H. Brooks, former superintendent of the auditing and inspecting department of the Fidelity and Deposit Company, to be superintendent of the judicial department; F. H. Strikland, former secretary of the Philadelphia Casualty Company and special accountant of the Fidelity and Deposit Company, to have supervision of the accounting department of the New Amsterdam Casualty Company at its Baltimore branch office.

The figures of the twenty-first **annual statement of the London Guarantee and Accident Company** are presented in this issue, and they make a highly interesting exhibit. The assets of this dependable institution now aggregate $4,030,415.31, and the surplus as regards stockholders is $884,600.54. The company writes employers' liability, general liability, workmen's compensation, workmen's collective, elevator, teams, automobile, general accident, health, credit, burglary and steam boiler lines, thus affording brokers opportunity for complete coverage. F. W. Lawson is United States manager of the company, with headquarters at Chicago. In the East, Walters, Kelly & Co. are metropolitan managers in New York; Elmer A. Lord & Company are resident managers at Boston for the New England department; Stokes, Packard, Haughton & Smith are resident managers for the Middle Department at Philadelphia, and Gallivan & O'Donnell are general agents at Providence, R. I.

The visitation of an **earthquake** shock to this part of the country on Tuesday revived interest in the **possibilities in Manhattan** in case of such a disturbance as visited San Francisco. Professor A. W. Whitney, manager of the Workmen's Compensation Service Bureau, who was in California at the time of the earthquake there, prophesied that should it occur during the noon hour not less than 100,000 people would be killed by falling cornices alone. At five o'clock A.M., the hour of the San Francisco disaster, the consequences would be less dire to human life, but there could scarcely be any less complete destruction by fire of the property on the lower part of Manhattan Island, at least.

Some excellent selections for **department heads of the Hartford Accident and Indemnity** have been announced by General Manager Norman R. Moray. For liability manager he has secured Stanley G. Martin, lately with the Zurich and formerly with the Ocean and the Royal Indemnity. For surety manager, James L. D. Kearney, lately New York manager for the Equitable Surety of St. Louis, has been appointed, effective on Monday next. The plate glass department will be in charge of E. L. Duncan, who has been with the Fidelity and Casualty for the past eleven years. All three men are underwriters of high quality and wide experience.

The **Oregon State Industrial Accident Commission,** which is charged with the administration of the workmen's compensation law to become effective on June 30th, charges the casualty companies with too much opposition to the new plan, and says that if it is continued a compulsory law similar to that of Ohio will result. The commission objects to so much emphasis on the liability of an employer to suits even after he has joined the State fund. This is taken to indicate that Oregon employers are not thoroughly confident of the protection to be afforded under the new law as it is worded with regard to liability for gross negligence or wilful misconduct.

The board of directors of the **American Surety** has made several important changes among the **officers** of the company. Vice-President R. R. Brown, who has also been superintendent of agencies, has been made first vice-president and F. H. Parry has been made superintendent of agencies. H. H. Simpson has been put in charge of the reinsurance division, with Harold C. Ward as his assistant manager. Lester H. Moore, formerly in charge of the reinsurance, was recently made assistant manager of the metropolitan department under Manager William M. Tomlins, Jr.

The **Travelers** will celebrate its **golden anniversary** at the home office, March 31st to April 3d, and one of the features will be a gathering of its managers, special agents and agents to the number of about 500. It has been found necessary to procure quarters for some of the men at Springfield, and a special train has been chartered for their conveyance mornings and evenings. The convention will be the largest in the history of the company, and will be made a gala event in more ways than one.

The **Illinois Surety Company,** which was surety for the O'Gara Coal Company for the payment of coal freight charges,

Digitized by Google

is defendant in a suit started by the Big Four Railroad to recover unpaid freight bills. The company resists payment on the ground that the railroad and the coal company were engaged in illegal practices, proof of which has been submitted to a grand jury, which returned indictments for rebating. The company's policy provides that illegal transactions are not covered by the bond.

The annual banquet and entertainment of the **Casualty and Surety Club of New York** will take place at the Hotel Martinique, Broadway and Thirty-second Street, New York, next Tuesday evening, February 17, at 7 o'clock. Tickets can be purchased of Nelson D. Sterling, the treasurer of the club, at 92 Liberty Street. The executive committee in charge of the banquet is composed of Edson S. Lott, chairman; Wilfred C. Potter, A. Duncan Reid and R. H. Towner.

The decision of the Appellate Division of the New York Supreme Court to the effect that a woman who is driving an automobile for her own pleasure is **not the agent of her husband** who owns the car may have an important bearing upon liability insurance. It is expected the case will be taken to the Court of Appeals.

The prospects are, it is asserted, not favorable to **the merger** of the National Association of Casualty and Surety Agents with the National Association of Local Fire Insurance Agents. There is a feeling among the leading men of the former that it has a field of endeavor peculiarly its own, which should be cultivated.

The Ohio Industrial Commission has **denied the application** of the casualty companies for a rule in permitting employers to file an insurance policy as a guarantee of ability to carry their own risk instead of the bond prescribed by the commission. The commissioners say that no employers have asked for this sort of substitution.

The **Steam Boiler and Flywheel Service and Information Bureau** has unanimously re-elected C. S. Blake as president, W. H. Boehm as secretary-treasurer and Stanley L. Otis as manager. The executive committee for the ensuing year consists of C. S. Blake, chairman; W. H. Boehm, J. W. Rausch, D. F. Reese, J. H. Coburn.

Burglary insurance underwriters **approve the restoration of the "line up"** of crooks at police headquarters in New York City. It is well known that a lack of police activity was responsible for the recent increase in burglary insurance rates, and underwriters say that a return to the old rates will be justified if police conditions improve.

The **Ætna Life of Hartford** has closed its liability department offices at Jersey City, N. J., the business being transferred to the Newark branch office, at present under the management of J. H. P. Stevens, who it is reported may soon return to the metropolitan district to act as special agent of the New York City branch office.

As forecasted some time ago by the **Mississippi** insurance department, the companies who have so far filed their annual statement show a heavy **loss in liability, fidelity and surety business** in that State. This is due for the most part to the great number of bank failures occurring in the State during the past year.

The question of the **constitutionality of the Texas workmen's compensation law** is before the District Court at Waco in the case of Middleton *vs.* The Texas Light and Power Company, where the plaintiff's attorneys present thirty-eight reasons why the act is not valid.

An attempt to mandamus Insurance Commissioner Collier in the matter of the filing of the original schedules of **rates for workmen's compensation in Texas** is to be made. Governor Colquitt has promised his support in the matter.

The **Equitable Surety** has appointed Edward B. Southworth, Jr., to be manager of the New York office, succeeding J. L. D. Kearney, who has gone with the Hartford Accident and Indemnity.

The London Guarantee and Accident has secured the services of **E. L. Ashmead,** who has resigned from the General Accident, and Mr. Ashmead will be in charge of the automobile adjustment department.

The **Employees' Indemnity Corporation** has been organized at Kansas City with $200,000 capital, to write employees' liability and compensation insurance. E. G. Trimble is president.

The Railway Mail Association of Portsmouth, N. H., has been **licensed** to transact business **in Mississippi.**

Personal.

AGENCY APPOINTMENTS

Royal: R. A. Buckman, state agent for Illinois.

Williamsburgh City: W. L. Foster, special agent for Texas and Louisiana.

Firemens of Newark: Clarence A. Baldwin, special agent for New York State.

Northwestern Mutual Life of Milwaukee: N. P. Langford, E. R. Schuler and P. W. Fahey, general agents.

Phœnix of Hartford: A. K. Black, Jr., special agent for Western Pennsylvania with headquarters at Pittsburgh.

Hanover Fire of New York: W. H. Higley, State agent for Minnesota, has had South Dakota added to his territory.

Nord-Deutsche: D. D. Thomas, special agent for Missouri, Kansas, Iowa and Nebraska, with headquarters at Kansas City.

Law Union and Rock: Ralph D. Emery, general agent for Oregon with headquarters at Portland, succeeding N. L. Nelson.

Massachusetts Bonding: Wayland C. Bullard Agency of Des Moines, general agents for Iowa; Leonard, Turnbull & Johnson, Syracuse, N. Y.

London and Lancashire Guarantee and Accident: G. Allen Putnam, general agent for Maine, New Hampshire and Vermont, with headquarters at Manchester, N. H.

Insurance Company of North America and Philadelphia Underwriters: L. H. Small, special agent for Connecticut, Western Massachusetts and Vermont, succeeding John W. Monroe, resigned.

Commercial Union and Palatine: J. C. Griffith, State agent for Illinois and the cities of St. Louis, Kansas City and St. Joseph in Missouri: D. D. Henry, special agent for Missouri cutside the above named three cities.

Mr. Arthur Watt, actuary of the Southern Life and Trust Company, Greensboro, N. C., has been elected secretary of that company succeeding David White, resigned, with the title of secretary and actuary. Mr. Watt, who received his training with the Sun Life of Canada, is a Fellow in the Actuarial Society of America, and is prominently identified with the activities of that association. He went with the Greensboro company in September, 1912, and his fine record there resulted in his election as secretary. Mr. S. A. Kerr was elected assistant secretary.

Mr. Harry Percival Gardner, assistant secretary of the Penn. Mutual died February 6 at his home in Cynwyd, Pa., aged 53 years. He had been ill nearly a year with a complication of diseases. Mr. Gardner was one of the best known insurance men in Philadelphia, and he had been connected with the Penn Mutual for more than thirty years. He was unmarried.

Mr. George W. Ingham, who recently retired from the office of superintendent of insurance for the District of Columbia, has decided to make his home in California. He is now associated with General Agent Charles J. Stovel at San Francisco in the operation of the Property Underwriters' Association.

Mr. John A. Grose has resigned as special agent and manager of the mail department of the National Fire of Hartford, to take the same position with the commercial Union and Palatine for South Dakota, Nebraska

Digitized by Google

and Kansas. He will act also as State agent in South Dakota for the fire and farm insurance departments of the same companies.

Mr. Henry P. Blair has been elected president of the Equitable Life of Washington, D. C., succeeding John S. Warmstreth, resigned. Mr. Blair is a banker and prominent lawyer of the District of Columbia and has been vice-president of the company. He is succeeded as vice-president by Joseph Sanders, a director.

Mr. Thomas H. Anderson, deputy assistant manager in the New Orleans office of the Liverpool and London and Globe has been transferred temporarily to the San Francisco office of the company following the death of Mr. John W. Gunn, manager of the Pacific Coast Department.

Mr. John A. Lansing of the New Orleans office of the Liverpool and London and Globe, who has been doing field work in Mississippi, has been called to the New Orleans Department headquarters for permanent duty.

Mr. Carl A. Secoy has been appointed assistant agency manager of the Phœnix Mutual Life of Hartford to succeed Oliver M. Thurman, recently promoted to the assistant secretaryship. Mr. Secoy was formerly a train despatcher and became an insurance agent in 1910.

Mr. James H. Cowles has been appointed instructor in life insurance in the University of Colorado, succeeding Insurance Commissioner Epsteen. Mr. Cowles is a son of Irving R. Cowles, general agent at Denver of the Provident Life and Trust.

Col. E. G. Halle, Western manager of the Germania and chairman of the Western Insurance Bureau, who has been seriously ill, is recovering slowly, and has gone to Florida to spend the remainder of the winter.

Mr. W. A. Hamilton has resigned as manager for the Mutual Life of New York at Terre Haute, Ind., after thirty-seven years of service with the company, twenty-eight of which were at Terre Haute.

Professor Albert W. Whitney, who was recently appointed associate actuary of the New York State Insurance Department, will take charge of the New York Workmen's Compensation Bureau, as manager.

Mr. W. C. Suhr has resigned as superintendent of the plate glass department in the western department of the Globe Indemnity Company and is succeeded by Edward B. Finnegan of New York.

Mr. Michael E. Vandercook, local fire insurance agent at Indianapolis, Ind., died there at a hospital January 30 after being run down by an automobile. He was fifty-three years old.

Mr. Henry J. Woessner, formerly the Western manager for the California Insurance Company, has been chosen the managing underwriter for the Marquette National Fire, of Chicago.

Mr. Walter H. Young has been appointed manager of the Brooklyn branch office of the Lloyds Plate Glass insurance company, to succeed the late Albert F. Tucker.

Mr. Robert E. Gooch, who recently resigned as special agent of the London Assurance, died February 6, at his home in Forest Hills, Long Island, of Bright's disease, aged 49

Mr. W. E. Gantt, Jr., has been appointed special agent for H. C. Hare & Co., general agents of Jacksonville, Fla. Mr. Gantt will have his headquarters at Orlando.

Mr. Allen E. Brosmith has resigned as trial counsel in New York for the Travelers' and has entered private practice with Frank Verner Johnson.

Mr. Meredith B. Little, of Little & Loomis, insurance agents at Glens Falls, N. Y., died there February 4. He had been in the business over fifty years.

Mr. W. A. Hamilton has resigned as district manager for the Mutual Life of New York, at Terre Haute, Ind., after more than a quarter century service.

Mr. Clayton K. Brooks, New England special agent for New England, has resigned to take up the work of independent adjusting in Boston.

Mr. Charles M. Clements, for more than twenty years agent of the New York Life at Glens Falls, N. Y., died there February 14.

President William B. Clark of the Aetna of Hartford, accompanied by Mrs. Clark, is visiting California in quest of better health.

Mr. Charles W. Sheldon, a prominent fire insurance agent at Rockford, Ill., died there February 7 after a lingering illness.

Mr. John P. Gucker, assistant secretary of the Camden Fire Insurance Association, died at Camden, N. J., February 11th.

Mr. Charles S. Reynolds, life insurance agent at Columbus, O., died January 19, from apoplexy, aged 63 years.

Mr. Royal A. Buckman, northern Illinois special agent of the Royal, has been appointed Illinois State agent.

Miscellany.

Insurance of Forests in Norway.

(London Post Magazine)

On account of special difficulties, forest fire insurance is one of the least widely spread methods of insurance, and the International Institute of Agriculture has set itself to give a careful account of the forms it has assumed, and to register the progress it has made. Last March the *Bulletin of Economic and Social Intelligence* of the Institute, published at Rome an important study on forest insurance in France; the September number of the same periodical gives an account of this insurance in Norway, where, as is well known, the forests are very large.

In Norway the measures for protection constituting what may be called preventive insurance are severe and definite. The two laws of July 14, 1893, and July 27, 1896, first of all forbid the lighting of fires in forests or in fields, in places or under conditions that might give rise to fires, in dry weather, and when there is much wind. In addition, the burning of forest débris and peat is entirely forbidden in the months of June, July and August, and even in other months to the tenant of a forest except with the consent of the owner, etc. Finally, in the regulations adopted by the cantons with regard to fires, the cantons are divided into districts, for each of which a head is appointed. Each forest proprietor is bound to maintain a definite number of men corresponding with the area of his land, and fully equipped. The direction of the work of extinction of fires is assumed by the district head concerned, who is empowered to call on any laborer able to work, living within the boundaries of the canton, to assist.

Compensation was first of all granted by commercial companies, but they have very few members; the greatest success has, on the contrary, been attained by the recently founded Norwegian Mutual Forest Fire Insurance Society. It only insures young plantations and the soil. It bases its calculations on the fact that in case of fire it is, above all, young copse-wood and the soil that suffer, while trees ready for felling generally run less risk. The trees are insured for five years at least, and insurance gives claim to reimbursement of all losses, within the area shown in the policy, due to fire or lightning or to the measures taken with a view to extinguishing fire. However, compensation is not given for losses by which fewer than one hectare is affected, except in the case of forest estates of less than fifty hectares. In such cases the limit is fixed at fifty ares.

The premiums vary between 1¼ and 1¾ per cent. Forests through which railways pass pay no supplementary premium, as the railway company is bound to compensate if it is proved that the fire was caused by its engines. At the end of the year the policyholders may have to pay, if required, a supplementary premium, but this must never exceed three times the amount of the original premium and the members have no further liability. On January 1, 1913, the forests insured by the Norwegian Mutual Fire Insurance Society covered 553,259 hectares. Among the members there are twenty-four cantons assuming communal forests of an area of 34,472 hectares. This is one of the most interesting examples to be found of the co-operation of a government with private enterprise.

Fire Prevention Abroad.

(London Review)

This question is not so acute on this side of the Atlantic as on the other, more particularly in the United States and Canada. All the same, there is still a great amount of fire waste in this country which could be avoided by the exercise of more care and forethought. A study of the fire brigade reports of various large industrial centers confirms this view in many ways. There are, always have been, and will yet be, many fires arising from sheer carelessness, if not crass stupidity. The losses created by what are clearly preventable fires may not be enormous, comparatively speaking, but are sufficiently large to demand more stringent measures for their elimination as far as possible. There is the question of better building construction, and stricter rules regarding the use of gas and electricity. It must be admitted, however, that no legislation on this planet will deal effectively with the idiot who seeks an escape of gas, holding a lighted match or candle. Fireproof buildings are strongly advocated by authorities well qualified to give an opinion.

A leading business man in America declares that the first effort over there should be directed toward securing the united support of all municipalities to establish a standard building code, which will foster genuine fireproof construction, and which will put an end to the building of such flimsy structures that are now a menace to the congested districts of all the cities. But the question arises, is there a structure that can literally and truthfully be called fireproof? The writer remembers once surveying the ruins following a big blaze, and high up on the small portion of a wall still standing there remained an enamelled sign sufficiently undamaged to proclaim "Fireproof Depositories" that no longer existed. We also remember hearing an acknowledged authority emphatically express the opinion that there was no such thing as a fireproof building, meaning, no doubt, that no matter the materials of which the building was made, or how erected, its inflammability was governed strictly by its contents.

Digitized by Google

Another authority says that one of the greatest menaces to the public welfare is the misrepresentation regarding the fireproof character of business buildings. Many so-called fireproof structures are nothing more than fire traps. A fire well started in them will gut their interiors from cellar to roof. Mere construction of walls and partitions from fireproof materials does not make a fireproof building. It is clearly necessary that not only should the nearest possible approach to the fireproof be aimed at in building construction, but there should be systematic and careful inspection. The maintenance of an efficient salvage corps may be regarded as one of the great essentials to a reduction of fire waste, and it must not be forgotten that the work of these organizations is of great public value. The interests may lie directly with the fire companies who maintain them, but the public reap undoubted benefits.

We do not intend to discuss whether the public exchequer or the funds of fire insurance companies should defray salvage corps expenses. That must be left to another occasion. We consider very strongly that it is the duty of public authorities to seek to do everything in their power under existing acts of Parliament, and by special by-laws, if necessary, to insist upon the enforcement of stringest rules to govern building construction, and to secure the utmost amount of fire protection possible by adequate regulation and inspection in regard to the storage of inflammables. To be effective the regulations must be drastic.

Accidents in Massachusetts.

The annual report of the Massachusetts Industrial Accident Board is nearly ready for the legislature of that State. It contains statistics of accidents in the State for the year ending June 30, 1913. It states that the majority of employers and employees have accepted the workmen's compensation act, and the board expresses the opinion that the present Massachusetts system of administering workmen's compensation by mutual and stock companies in competition should be continued. The test of cost of service and efficiency between the two, it believes, has only begun. An increase in the amount of compensation is recommended. The Boston *Standard,* to which we are indebted for this synopsis of the report, also quotes from it the following interesting statistics, which will furnish material for study and comparison to every one interested in the workmen's compensation problem. They cover the year ending June 30, 1913:

Number of non-fatal accidents, 80,694. Number of persons killed and entitled to compensation, if insured, 474. Number of persons killed, not entitled to compensation, 71.

Of the 474 fatally injured persons to whom the act was applicable, 200 were insured and 184 not insured. In 112 cases there were no dependents; in the remaining 362 there were 873 dependents, of whom 770 were wholly dependent and 103 partially so.

One hundred and sixty-four of the persons fatally injured were single; 30 were widowers; 2 were divorced and 278 were married. In 60 per cent. of the fatal cases widows were left in a state of dependency.

Of the total number of 89,694 employees injured, but not fatally, 68,586, or 76 per cent., were incapacitated for two weeks or less, and of these, 36,006 were incapacitated for only one day. In the remaining cases, the period of incapacity was as follows: 10,568 cases from 2 to 4 weeks; 6,368 from 4 to 8 weeks; 2,355 from 8 to 13 weeks; 1,275 from 13 weeks to 6 months; 272 for over 6 months.

The estimated payments by insurance companies for medical and hospital attention, disability and dependency compensation, including contingent liabilities, amounted to $1,677,380, or about $5,000 for each working day. The average cost per accident reported—not including cost of insurance administration—was $18.70.

The number of accidents varied in various industries from 10 to 13,568, the ten industries showing the largest number of accidents being: iron and steel, 13,568; textiles, 13,562; road, street and bridge transportation, 11,396; fifteen other industries, 10,608; trade, 8,107; building trades, 7,310; leather and its finished products, 5,713; metal and metal products, 4,299; lumber and its manufacture, 2,727; food and kindred products, 2,198.

The distribution of fatal accidents was: road, street and bridge transportation, 183; building trades, 71; trade, 42; miscellaneous industries, 31; textiles, 25; iron and steel, 24; water transformation, 21; food and kindred products, 10.

The causes of non-fatal accidents were: 28,963, hand labor; 11,000, machinery peculiar to special industries; 8,139, falls; 4,305 were eye injuries, and 99 occupational diseases.

The principal causes of fatal accidents were: railroad equipment, 119; falls, 66; vehicles, 43; hand labor, 37; elevators, 33; electricity, 25; street railways, 20; boiler explosions and burns, 15; excavating, 14; cranes, 11; miscellaneous, 11; asphyxiation, drowning, etc., 10.

Accidents occur most frequently among persons receiving a wage approaching $15 a week, and next in frequency among those receiving between $15 and 20 a week.

Of those fatally injured, 135 were between 21 and 29 years of age; 113, from 30-39; 83, 40-49; 66, 50-59; 55, 60 and over; 18, 16-20; 4, under 16.

Medical Section, American Life Convention.

The following is the programme for the fourth mid-year meeting of the medical section of the American Life Convention, to be held at the French Lick Springs Hotel, French Lick, Ind., March 4th, 5th and 6th:

WEDNESDAY, MARCH 4, 10.00 A.M.

"Inflammatory Rheumatism and Allied Diseases as Affecting Life Insurance Risks," Dr. C. Naumann McCloud, Medical Director Minnesota Mutual Life.

"Preservation of Health," Colonel W. C. Rucker, Assistant Surgeon-General, United States Public Health Service, Washington, D. C.

"Prognosis Following Operation for Surgical Diseases of the Abdomen," Dr. William J. Mayo, Rochester, Minn.

Discussion: Dr. William M. Harsha, Professor of Surgery, University of Illinois, Medical Director, Order of Columbian Knights, Chicago, Ill.

"Indigestion a Forerunner of Diseases of the Cardiac, Vascular and Renal Systems," Dr. Fred M. Hodges, Assistant Medical Director, Atlantic Life of Richmond, Va.

Discussion: Dr. Victor C. Vaughan, Jr., Medical Director, Michigan State Life.

"Overweights," Dr. H. A. Baker, Medical Director Pittsburgh Life and Trust.

Discussion: Virgil M. Kime, Actuary American Central Life; C. H. Beckett, Actuary State Life of Indianapolis.

The evening session will be an entertainment by the French Lick Springs Hotel Company complimentary to the Medical Section.

THURSDAY, MARCH 5, 9.00 A.M.

"Public Health Administration," Dr. J. N. Hurty, Secretary Indiana State Board of Health, Indianapolis, Ind.

"Syphilis in Relation to Life Insurance," Dr. Henry H. Schroeder, Medical Director Mutual Life Insurance Co. of New York, N. Y.

"Syphilis from an Insurance Standpoint," Dr. Amand Ravold, St. Louis, Mo.

Discussion: Dr. Ambrose Talbot, Medical Director Kansas City Life.

"The Effects of Alcohol and Tobacco on Life Expectancy," Dr. T. D. Crothers, Editor *Journal* of American Society for the Study of Alcohol and other Narcotics, Hartford, Conn.

Discussion: Dr. J. Allen Patton, Associate Medical Director Prudential Insurance Company.

"Prognosis of Chronic Cardiac Lesions," Dr. Robert H. Babcock, Chicago, Ill.

Discussion: Dr. W. S. Harpole, Professor Clinical Medicine, Northwestern University Medical School, Chicago, Ill.

"Symptoms and Physical Signs Suggesting the Onset of Organic Disease," Dr. Charles L. Mix, Professor Physical Diagnosis, Northwestern University Medical School, Chicago, Ill.

"The Importance of the Observation of the Mouth and Teeth, from a Life Insurance Standpoint," Geo. V. I. Brown, M.D., Milwaukee, Wis.

"Extra Risks," Mr. Franklin B. Mead, Secretary and Actuary Lincoln National Life Insurance Co., Fort Wayne, Ind.

Discussion: Mr. T. W. Appleby, Secretary and Actuary Federal Life Insurance Co., Chicago, Ill.; Mr. Virgil M. Kime, Actuary American Central Life Insurance Co., Indianapolis, Ind.

The evening session will be devoted to an illustrative lecture on "Prognostics of Internal Medicine as Relates to Life Insurance Examinations," by Dr. Jas. T. Case, Roentgenologist, of Battle Creek, Mich. The discussion will be led by Dr. Fred M. Hodges, Assistant Medical Director Atlantic Life Insurance Company.

Digitized by Google

FRIDAY, MARCH 6

"The Medical Department in Court," Hon. T. W. Blackburn, Secretary and Counsel American Life Convention.
"Goiter and Its Relation to Life Insurance," Dr. Alexander M. Campbell, Medical Director Preferred Life.
"Causes Influencing Mortality," Dr. Wyeth E. Ray, Medical Director Germania Life.
"Medical Investigations," Dr. W. Edward Magruder, Adjuster for Accident Insurance Companies, Baltimore, Md.

Insurance Legislation.

Idaho

BOISE, February 9.—The special commission appointed by Governor Haines to prepare a workmen's compensation bill has concluded its hearing. In an interview for a local newspaper, Secretary A. H. Conner said that the bill will cover hazardous and semi-hazardous occupations, that it will be elective, will provide a reasonable sum for first aid, compensation to begin after two weeks, and schedule of awards being based on a payment in case of total disability or death of $4,000. The bill includes a complete factory inspection act, by which it is hoped to minimize the danger of accident. Three plans of insurance are provided—the employer to carry his own risk, to insure with casualty companies, and the State insurance funds.

Mr. Conner also said:

The third plan is perhaps the most interesting, and is revolutionary in some of its features, but I believe is entirely practicable and will eventually be the plan under which most employers of the state will elect to come. It provides for state insurance. The industries of the state are divided into 27 different classes, and maximum rates are fixed, based upon the hazard of the employment, against which rate assessments will be made and collected much as provided for under the Washington law.

We have suggested this difference, however, that whereas in the Washington law these assessments are carried into different funds for each classification, we would recommend that when the assessments are made that they be placed in one fund, to be known as the accident fund, and all compensation be paid out of that fund regardless of which class the accident arose in. The various industries are divided into classes simply for the purpose of fixing a proportionate rate which each hazard should pay.

By placing all these assessments into one fund the state can get the benefit of the law of averages, and I can see no reason why such a fund cannot be administered and handled by the state much in the same manner and at less than it is handled by the casualty companies. This plan will also act as a check on the casualty companies, so that they will not run away with themselves in fixing rates to be charged under plan No. 2.

Kentucky

FRANKFORT, February 13.—Bills introduced:

Senate Bill 264 (Arnett) requiring foreign corporations doing business in Kentucky to pay as much for products of this State as for similar products purchased elsewhere.

House Bill 364 (McNally) to provide that no accident or health insurance policy can be cancelled without the written consent of the person insured, unless obtained through fraudulent representations.

House Bill 345 (Wilson) requiring local fire insurance agents to be licensed; prohibiting companies from paying the license fee, and requiring companies to notify the insurance commissioner of all agency revocations.

House Bill 444 (Hamilton) amending the law governing reinsurance in unauthorized companies

House Bill 133, regulating reinsurance, has passed the House by a vote of 76 to 4.

Massachusetts

BOSTON, February 13.—Bills introduced:

House Bill 1290, workmen's compensation.
House Bill 1456, defining dependents.
House Bill 1506, reinsurance in unadmitted companies.
House Bill 1768, anti-discrimination, other than life.
House Bill 1769, anti-discrimination, life insurance.
House Bill 1772, amending the standard fire insurance policy.
House Bill 1786, workmen's compensation.
House Bill 1787, workmen's compensation.
House Bill 1284, requiring fire insurance adjusters to be licensed.
House Bill 1444, amending the standard fire insurance policy.
House Bill 1455, providing that compensation shall begin as from the day of injury.
House Bill 1138, workmen's compensation.
House Bill 1594, limiting reinsurance.
House Bill 1595, inducements to insurance.
House Bill 1597, relating to fraternals.
House Bill 1598, brokers' licenses.
House Bill 1599, broker is company's agent.
House Bill 1600, valued policy law.
House bill 1601, amending standard fire policy.
House Bill 1603, amending the workmen's compensation law.
House Bill 1942, relative to the admission of foreign insurance companies.
House Bill 1943, casualty insurance payments to be made monthly.

Mississippi

JACKSON, February 13.—The date for a hearing on a substitute for House Bill 138 will be announced shortly.

House Bill 435 (Bramlette) to prevent foreign corporations from doing local business in Mississippi; prohibiting owning or leasing of Mississippi land, or exercising all right of eminent domain. It is expected to be amended so as to exempt insurance companies.

Senate Bill 316 (Russell) providing a standard for computing liability losses or reserves, according to plan approved by New York and Massachusetts insurance departments.

It is understood that an agreement has been reached with regard to House Bill 442 by which the bill will be greatly modified in a compromise measure.

New Jersey

TRENTON, February 13.—Bills introduced:

House Bill 323 (Carroll) providing licenses for fire insurance adjusters.

Senate Bill 137 (Gaunt), exempting domestic servants and foreign laborers from the provisions of the employers' liability law.

Senate Bill 150 (McGinnis), regulating the incorporation of mutual benefit associations.

House Bill 343 (Burton), permitting life insurance companies to insert in their policies a provision for waiver of premiums or for special surrender values, in the event of the total and permanent disability of the insured.

New York

ALBANY, February 13.—Bills introduced:

House Bill 458 (Hinman) to abolish the office of State fire marshal.

Senate Bill 404 (Peckham), providing that legal service against foreign fraternal orders shall not be binding until twenty days from date of mailing copy of such service.

Committee reports House Bill 458 has been favorably reported abolishing the State fire marshal.

Ohio

COLUMBUS, February 6.—House Bill 48 (Fellinger) was introduced to-day and passed by both Houses. It regulates mutual fire insurance companies by raising the standard of solvency and providing requirements for their corporations and the admission of foreign companies to the State. Farmers' mutuals are exempt, but others are required to give $10,000 bonding upon being licensed by the State Insurance Superintendent, who has powers of regulation.

The special session of the Ohio Legislature will adjourn on February 16th.

Rhode Island

PROVIDENCE, February 13.—Bills introduced:

Senate Bill 80 (Munroe), prescribing a fine of $50 against any life insurance company issuing policies except upon previous prescribed medical examination.

South Carolina

COLUMBIA, February 13.—Bills introduced:

House Bill 120 (Whaley), workmen's compensation, was reported unfavorably, and the bill was rejected.

House Bill 241 (Rembert), relating to policies of casualty insurance, was amended by striking out the enacting words.

Digitized by Google

Senate Bill 412 (House Bill 734), permitting licensed fire insurance companies to make rates in competition with unlicensed brokers has become law.

United States Congress

WASHINGTON, February 13.—Bills introduced:

House Representatives (Johnson, of Kentucky), forbids concerns in the real estate or loan or fire insurance business combining in such lines, or owning an interest in another business.

House Representatives (Prouty, of Iowa), forbids officers or directors of insurance companies from holding underwriting contracts with real estate or trust companies.

Virginia

RICHMOND, February 13.—Bills introduced:

Senate Bill 275 (Paxton), requiring fire insurance policies to be issued under the corporate name of companies. House Bill 162 (Montague) is identical.

Senate Bill 315 (West), establishing policyholders' lien upon securities deposited with the State Treasurer.

Maryland

ANNAPOLIS, February 13.—The workmen's compensation bill drawn by Insurance Commissioner Shehan was introduced to-day.

House Bill 253 (Wilkinson), providing for compulsory investment of life insurance reserves.

A bill to increase the tax of life insurance premiums has been prepared, but is not yet introduced.

A bill for a uniform life insurance policy in Maryland is being prepared by Mr. Waters, similar to the New York law.

The Hammond workmen's compensation bill will be amended to provide three insurance options—the State fund, mutual insurance, and stock casualty insurance.

A new compensation bill is being drawn by Mr. McQuade, being a compulsory measure on the German plan, with equal division of insurance cost between employer and employee.

The Fidelity Mutual Life

INSURANCE COMPANY OF PHILADELPHIA

Thirty-Fifth Annual Statement

ASSETS

First Mortgages on Real Estate	$11,135,605 75
Real Estate Owned	1,431,655 78
Loans on Collateral	186,264 31
Loans on Policies	7,882,280 25
Bonds and Stocks (Market values Dec. 31, 1913)	6,653,467 00
Cash in Banks and in Office	387,187 18
Premiums in course of collection	802,295 49
Interest and Rents due and accrued	417,637 06
	$28,896,392 82

LIABILITIES

Reserve for Reinsurance	$25,329,646 59
Reserve for Outstanding Losses	149,267 33
Premiums and Interest prepaid	172,780 85
Accrued Taxes and Miscellaneous Liabilities	115,007 37
Premium Reductions for 1914	382,202 66
Accumulations upon Deferred Distribution policies	1,807,895 00
Reserve for Contingencies	939,593 02
	$28,896,392 82

Paid Insurance in Force **$133,550,385 00**

Total Payments to Policyholders Since Organization **30,739,644 21**

Nineteen-fourteen brought another increase in dividends to Fidelity policyholders—the largest dividend distribution in the Company's history.

Honorable John Wanamaker, before a recent gathering of Fidelity Mutual agents, paid this remarkable tribute to life insurance: *"I think I would take a journey to San Francisco just to shake hands with the man who started me in life insurance, if he were living."*

Mr. Wanamaker's address was intensely interesting. A copy in full will be mailed upon request.

ESTABLISHED 1869 **U. S. BRANCH 1892**

LONDON GUARANTEE & ACCIDENT COMPANY, Ltd.

TWENTY-FIRST ANNUAL UNITED STATES BRANCH STATEMENT

DECEMBER 31, 1913

ASSETS

State, Government and Municipal Bonds	$1,026,281 85	
Railroad Bonds	2,020,195 98	
First Mortgages on Real Estate	5,500 00	
Cash on hand and in Bank	160,389 92	
Interest due and accrued	47,883 98	
Premiums not over three months due in course of collection	756,965 29	
All other Assets	13,198 29	
		$4,030,415 31

LIABILITIES

Claim Reserve:		
Liability Department	$1,262,075 72	
Credit Department	150,407 60	
All other Departments	91,282 14	
Reserve for Reinsurance	1,376,512 91	
Reserve for State Fees and Taxes	54,000 00	
Reserve for Commissions on outstanding premiums and all other liabilities	211,536 40	
		$3,145,814 77
Surplus to Policyholders		**884,600 54**
		$4,030,415 31

DEPOSITED WITH INSURANCE DEPARTMENTS AND UNITED STATES TRUSTEES, $3,028,477.83

Writes: Employer's Liability, General Liability, Workmen's Compensation, Workmen's Collective, Elevator, Teams, Automobile, General Accident, Health, Credit, Burglary and Boiler Insurance.

Head Office, Chicago, Ill. F. W. LAWSON, General Manager

WALTERS, KELLY & COMPANY
Metropolitan Managers
55 John Street, New York, N. Y.

ELMER A. LORD & COMPANY
Resident Managers New England Department
145 Milk Street, Boston, Mass.

STOKES, PACKARD, HAUGHTON & SMITH
Resident Managers Middle Department
434 Walnut Street, Philadelphia, Pa.

GALLIVAN & O'DONNELL, GENERAL AGENTS
Rooms 25 and 26, Wilcox Building
48 Custom House Street, Providence, R. I.

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JAN. 1, 1914

Assets, ... $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, 1,108,033.00

EDGAR J. HAYNES, PRESIDENT
THOMAS L. FARQUHAR, SECRETARY

The Oldest Fire Insurance Company in New Jersey.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company
New York

STATEMENT JANUARY 1 1913

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
9,662,027
NET SURPLUS
9,576,398
ASSETS
21,238,425

Firemen's Insurance Co.
NEWARK, N. J.

STATEMENT JANUARY 1, 1913

Capital Stock, - - - - $1,000,000.00
Reinsurance Reserve, - 2,781,578.19
All other Liabilities, - 331,961.11
NET SURPLUS, - - - 2,723,239.49

TOTAL ASSETS, - $6,836,778.79

DANIEL H. DUNHAM, President
A. H. HASSINGER, Secretary
CHARLES COLYER, Vice-President
JOHN KAY, Treasurer

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.
BOSTON, MASS.

Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1 14.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,772,913.99
Surplus	2,332,697.30
Total January 1, 1913	$7,855,611.29

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept

PHŒNIX
ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

Fidelity-Phenix
Fire Insurance Company
OF NEW YORK

Ten thousand loyal agents prove the practical value of representing the Fidelity-Phenix

HOME OFFICE
80 Maiden Lane
NEW YORK

WESTERN OFFICE
137 South La Salle Street
CHICAGO

HENRY EVANS, President

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The Fifty-third Annual Statement of the Home Life Insurance Company, of which Geo. E. Ide is President, shows that most satisfactory progress has been made during the past year; that the gain in insurance in force is over five and one-half millions, the amount in force being now nearly $111,000,000. After providing for the various funds for the protection of the policy obligations, there remains upon a most conservative basis of valuation a surplus of nearly two millions, over and above the fund of two and one-half millions which is set apart for deferred dividends, an item ordinarily included in the surplus account. The payments to policyholders during the year amounted to nearly three millions, including over half a million dollars in dividends to policyholders.

"The Com'cl & Fin'cl Chron." 1-25-13.

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

The Employers' Liability Assurance Corporation

(LIMITED)

OF LONDON, ENGLAND

$5,935,585.61

deposited in the United States for the benefit of United States Policyholders

SAMUEL APPLETON, United States Manager
Employers' Liability Building, 33 Broad Street, Boston, Mass.

DWIGHT & HILLES
Resident Managers for New York State,
56 Maiden Lane, New York.

PERMANENT AND PROGRESSIVE
ORGANIZED 1886
NORTH AMERICAN ACCIDENT INSURANCE CO.
THE ROOKERY
CHICAGO
AGENCY OPENINGS IN 44 STATES

MEN WHO CAN DO THE WORK

are offered remunerative positions as field representatives in desirable territory. Good places are always open to the right men—those who can produce applications and collect premiums.

UNION MUTUAL LIFE INSURANCE COMPANY
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address ALBERT E. AWDE, Supt., 396 Congress Street, Portland, Maine.

London Assurance Corporation

CHARTERED A. D. 1720
STATEMENT JANUARY 1st, 1912

Assets in U. S.,	$3,747 331
Liabilities in U. S., including Re-insurance Reserve,	2,520,923
Net Surplus,	1.226,408

Losses Paid in the United States over $29,000,000

CHAS. LYMAN CASE, Manager.
84 William Street New York

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.

OFFICE:
25 LIBERTY STREET.

London & Lancashire Fire Insurance Co., Ltd.

OF LIVERPOOL, ENGLAND

LONDON & LANCASHIRE FIRE INSURANCE COMPANY LTD.

EASTERN DEPARTMENT
Hartford
CONN.

A. G. McIlwaine, Jr.
Manager

204TH YEAR

SUN INSURANCE OFFICE

OF LONDON

FOUNDED 1710

United States Branch: 54 PINE STREET, NEW YORK

Western Department:
39 South La Salle Street
CHICAGO

Pacific Department:
N. W. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

BANKERS LIFE COMPANY

Des Moines, Iowa Ernest E. Clark, *President*

Organized 1879.

Exceptional record during thirty-three years for
LOW RATE OF MORTALITY ECONOMY OF MANAGEMENT
PROMPT PAYMENT OF CLAIMS

ADMITTED ASSETS OVER $19,500,000.00

GREAT NORTHERN LIFE
INSURANCE COMPANY
WAUSAU, WISCONSIN.

An Honest Contract, sold by Honest Men, by Honest Methods.

Permanent connection for desirable agents to sell life insurance

NEAL BROWN, President
WILLIAM A. FRICKE, Vice-President and General Manager

"STRONG AS THE STRONGEST"

THE NORTHERN ASSURANCE CO.

(Ltd. of London)

ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid $85,000,000
Losses Paid in the United States $28,000,000

EASTERN AND SOUTHERN DEPARTMENTS,
Company's Building, 55 John Street,
New York

The Connecticut Mutual Life Insurance Company

President JOHN M. TAYLOR, Hartford, Ct.
Insurance in force, 91663 Policies for $218,304,660

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policy-holders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1913.....	$287,412,080.61
Total returned to Policy-holders, as above noted, in same period...	296,862,956.74
Excess of amount returned.....	9,420,876.13

Digitized by Google

THE MUTUAL LIFE

Insurance Company of New York

In 1913

In benefits to policyholders, the "Oldest Company in America" made a record in its 71st year never before achieved in life insurance.

$17,201,730.49 in Dividends

This was the unparalleled sum refunded to policyholders in 1913—saved from premiums previously paid by them—while at the close of the year there was set aside from the same source the still larger sum of

$18,078,540.88 for 1914

To be refunded in like manner during the current year in the form of so-called "dividends." Among the remarkable achievements of 1913 should be cited the

Total Paid Policyholders, $63,757,992.51

This total, including death claims, endowments, dividends, surrender values, etc., was nearly a million and a quarter a week, and exceeded the amount received directly from policyholders during the year by $5,271,666.43. Other notable features of the year's record are

Insurance in Force	**$1,598,466,078.00**
Admitted Assets	**607,057,044.50**
Policy Reserves	**493,043,566.00**
Total Income	**86,749,490.43**
Total Disbursements	**74,856,679.73**

BALANCE SHEET, DECEMBER 31, 1913

ASSETS.		LIABILITIES.	
Real Estate	$23,548,626.96	Net Policy Reserves	$493,043,566.00
Mortgage Loans	133,873,225.46	Other Policy Liabilities	9,144,309.29
Loans on Policies	88,184,039.49	Premiums, Interest and Rents paid in advance	1,961,349.67
Loans on Collateral	1,000,000.00	Miscellaneous Liabilities	549,168.97
Bonds and Stocks	346,675,670.59	Estimated Taxes, License Fees, etc., payable in 1914	656,725.87
Interest and Rents due and accrued	6,783,813.60	Dividends payable in 1914	18,078,540.88
Premiums in course of collection	4,217,981.72	Reserve for future Deferred Dividends	72,655,877 60
Cash ($1,899,742.02 at interest)	2,245,273.23	Contingency Reserve	10,967,506.22
Deposited to pay claims	528,413.45		
Total Admitted Assets	**$607,057,044.50**	**Total Liabilities**	**$607,057,044.50**

For Terms to Producing Agents, Address

GEORGE T. DEXTER

2nd VICE PRESIDENT

34 NASSAU STREET **NEW YORK, N. Y.**

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, FEBRUARY 21, 1914. No. 8.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
MOTT A. BROOKS, Secretary and Managing Editor.
GEORGE W. OLNEY, Vice President and Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

THE twenty-fifth anniversary of the connection with life insurance of such a workman as Darwin P. Kingsley is a notable event in the Institution, and it was duly recognized on last Monday by his old and newer associates in Boston, where he first saw service with the New York Life Insurance Company. Mr. Kingsley has been a great insurance builder ever since he began to labor for it, but when he became president of the company, in 1907, it took on that further upward development which has placed it at the head of the world's life insurance companies in point of assets. It was the constructive capacity of the president that did it, and such achievements are only possible with geniuses in construction. Mr. Kingsley is still in the meridian of life, and, therefore, greater things are possible with him. He brought to life underwriting a university training, a newspaper experience and an official acquaintance with insurance as State superintendent in Colorado; and, combined with his natural ability, they have served to make him a leader among men in both life insurance and other forms of civic activity. Whenever he speaks, it is to enlighten and make better.

IT would seem that State legislatures might reasonably be satisfied with the legislative investigations of fire insurance conditions that have already taken place in four States and been reported upon, for they were very thorough, and two at least—those of New York and Illinois—were conducted with much intelligence. Three more State investigations are now in progress: the committees in Pennsylvania and North Carolina having been appointed by their respective legislatures, and that in Missouri by the governor. Their methods are necessarily the same as those of their predecessors—the examination of witnesses on behalf of the insurers and the insured. So far the reports from the hearings in the three States tally—the investigators showing the disposition to deal fairly with the questions before them, the companies being represented by competent experts desirous only of stating the plain facts, and the complainants being mostly persons who think that their rates are too high, without knowing just why. The North Carolina investigators have the advantage of the counsel of Insurance Commissioner Young, who habitually takes a conservative and reasonable view of the situation. The report from the Missouri commission is that the feeling grows that the companies should make the rates through a co-operative bureau under the supervision of the Insurance Department. Missouri has had its lesson. The Pennsylvania commission is holding meetings all over the State, and seems to be anxious to get at all the facts about fire underwriting. So far the influence of legislative investigations has been toward moderation in treating the vital subject of rating. The hostile legislation which has occurred in several States has been provoked by individuals with political purposes and State Boards which they have in the main created.

THE citizens of Wisconsin will vote at the next State election on the proposition that the State shall go into the insurance business in all its branches. It is embodied in two amendments to the State constitution, both of which are identical—and one, therefore, superfluous—except that the first contains the word "annuities," and reads as follows:

SECTION 11. The State may grant annuities and insurance upon such risks and in such manner as may be prescribed by law and the limitations and restrictions provided in the constitution shall not apply to this subject, but provision shall be made for an annual account of all liabilities assumed and for the separation and safeguarding of all money and property held by the State on account of any such insurance.

A scheme of State life insurance is already on trial in Wisconsin, and so far with no promising results; and there is a workmen's compensation law, which became effective in 1911. The fields left open for exploitation, therefore, are fire, casualty, surety, burglary, and other forms of miscellaneous insurance. The most important of these is the first, and the proposal to experiment with it as a government function certainly commends itself to the attention of everybody interested in fire insurance—policyholder as well as policy-maker. In an address on the subject, on a recent public occasion, Dr. William A. Fricke, former insurance commissioner of Wisconsin and now vice-president and manager of the Great Northern Life Insurance Company in that State, points out that with the adoption of the provision in the amendment that the limitations and restrictions in the constitution shall not apply to the scheme of State insurance, the latter may be made compulsory, and there may be no limit to the expenditures which may be made in promoting it. The effect can be to enact a fire insurance law providing for the levying of a fire insurance tax based upon the assessed value of the property located in Wisconsin, and so compel every person owning such property to take his fire insurance with the State fund, thus making it impossible for any fire insurance company, including local and farmers' mutuals, to transact the business of fire insurance in the State, and depriving thousands of citizens of the business which they have accumulated and

Digitized by Google

depend upon for their livelihood. "More than that," continues Dr. Fricke, "at one fell swoop the State of Wisconsin would be assuming a liability of nearly $750,000,000, if we accepted only as insurable the amount now carried by the various insurance companies in this state; and it would be no stretch of the imagination to assume that we might meet with a conflagration in a few months of the enactment of such a law that would involve the State into an indebtedness of millions beyond the receipts for such fire taxes." As Wisconsin is a State prone to economic experiments which are the output of idealists and reformers, there is actual danger of the creation of such a condition as Dr. Fricke outlines, unless the people are aroused to a full appreciation of what State fire insurance means under the amendment offered for adoption. The interest of the mass of the citizenship in States in proposed constitutional amendments is unfortunately slender, and they seldom attract more than a nominal vote. In this instance, however, a large vote can be secured if the opponents of the amendment follow the example of Dr. Fricke and shout from the housetops. They can say with him:

Remove these limitations and restrictions and you make insurance the plaything and foot-ball of politics and you inject into the business world a menace and an element of uncertainty and a danger more far-reaching and disturbing than bank failures and panics. Remove these limitations and restrictions and you open the door to every political fad thrown out for consumption until we are all "tied, limb and hands, and allowed to move only as the clock will strike from legislative hall or executive office."

Fire Insurance.

The Kentucky situation is somewhat relieved by the apparent sidetracking of the Glenn bill, which reports from Frankfort say is dead. Reports of a compromise with the companies are neither affirmed nor denied officially, although it is said that Manager Clem Wheeler of the Kentucky rating bill is in New York with C. J. Doyle, of counsel for the National Board of Fire Underwriters. Vote on the bill, if taken at all, will be delayed until some time next week.

To show results in such times as these, with securities tumbling and loss ratios soaring, is no easy matter—*au contraire.* Yet one cannot refrain from expressions of admiration for such fire insurance companies as are able to "get away with" the combination mentioned and show any sort of increase. It is well known that the management of an insurance company is in no way responsible for the action of the securities market, so when a company marks off $43,433.33 due to this cause, and yet shows a shrinkage in surplus of only $12,838.47, as was the case with the **People's National Fire** of Philadelphia, it is a tribute to the underwriting department as well as to the department of finance. Had there been no much shrinkage in the securities market this company would have increased its surplus by $36,000. As it is, the People's National makes a most **creditable showing.** Assets amount to $1,977,520.03. These consist of bonds and stocks, $1,036,419; mortgages, first lien, $530,597.50; real estate, $200,000; loans on collateral, $5,600; cash in bank and office, $81,884.53; agents' balances, $101,095.19, and interest accrued, $21,923.81. Setting aside reserve for losses, $41,101.23, a reserve for premiums in force, $587,081, and a reserve for taxes and other items of $12,500, and providing for its other liabilities—first mortgage on real estate, $100,000, and ground rent, $6,704.16—the People's National has left a net surplus of $230,133.64. This, with its million dollar capital, gives a policyholders' surplus of $1,230,133.64, which should satisfy the most discriminating insurant. The People's National now occupies handsome new offices in the Insurance Exchange of Philadelphia—the old Stock Exchange building, which it now owns. The officers are: President, Edward C. Stokes; vice-presidents, Robert B. Beath and J. Hector McNeal; secretary, Henry T. Alley; treasurer, J. M. Canning; assistant treasurer, William G. Eible; agency secretary, Henry A. Knabe.

To assist in guiding insurance legislation into conservative and beneficial courses is the object of the **Insurance Federation of Missouri,** organized some time ago, and the example of this organization might well be emulated in other States. The Missouri Federation is a progressive body, and the following are its officers: President, Emmett V. Thompson, St. Louis; vice-presidents, Clifford Jones, Kansas City; L. H. Stubbs, C. O. Mayes, Robert L. Dutton; secretary-treasurer, O. P. Rutledge, St. Louis. An executive committee of representative insurance men was also elected. The official organ of the Federation is the *Western Insurance Review,* which is doing good work by way of publicity. The formation of this federation in Missouri is notable. It sounds the keynote of a new era in insurance and at the same time issues a warning to those whose methods are destructive rather than constructive. Reports from Missouri indicate that all lines of business are booming the "get together" feeling. "Those who once get into the movement never desire to change back, because it means better conditions all around and the abandonment of weakening warfare and disastrous corrupt practice," said an enthusiastic member. "This movement is more than a mere advance in methods; it is a plan of organization to clean house and organize so strongly that legislation can't better conditions because those conditions that politicians and demagogues howl about will be banished to the limbo of a misguided past when unfair competition was the order of the day and the insured be damned rather than the insured be served. An organization whose strength is real and which is based on honest relationship between members can do more than help guide future legislation; it can also compel the State to stop taxing insurance companies above all reason and make the tax proportionate to the cost of the insurance department."

Reinsurance by treaty is rapidly growing in favor in the United States, and among the foreign companies which maintain branches in this country for the transaction of this kind of business and which have prospered during 1913 is the **"Bulgaria," First Bulgarian Insurance Company** of Rustchuk, Bulgaria. The "Bulgaria" has largely increased its connections during the fiscal year 1913, has gained a strong foothold, and enjoys the absolute confidence of all those with whom it is dealing. Snow & Thieme are its United States managers at Hartford, Conn., and both E. G. Snow, Jr., and Oscar Thieme, of the firm, are widely known in the insurance fraternity and enjoy an enviable popularity among their many friends. A glance at the results achieved by this company in 1913 shows an increase in assets of $324,871.58, an increase in premium reserve of $363,570.78, and an increase in deposit with trustees of $434,900. These items in the new statement stand as follows: Assets, $1,299,316.30 and premium reserve, $750,436.14. The assets consist of bonds at market value amounting to $1,154,900; cash, $101,180.36; accrued interest, $16,423.96, and $26,811.98 due from companies. Aside from the premium reserve above mentioned of $750,436.14 and a loss reserve of $169,477, the "Bulgaria" has but $1,500 of other liabilities, leaving a surplus of $377,903.16. For further security there is deposited with insurance departments and trust companies $1,204,900. This is a clean-cut showing, which demonstrates clearly the reasons for the confidence and high esteem of its clients, which the company enjoys.

In the **annual statement** of the United States department of the **Balkan National Insurance Company** of Sofia, Bulgaria,

Digitized by Google

are found striking evidences of strength directly attributable to the care exercised by its general agents, William C. Scheide & Co., in its treaty connections with companies of known underwriting acumen. This company transacts a treaty reinsurance business only in the United States, and since its advent to these shores has won an enviable place in the front rank of the business. A glance at the annual statement of the United States department indicates a strong financial condition and a healthy growth during 1913. Assets amount to $1,864,548.71, and consist of $1,473,200 in municipal bonds, $261,404.24 deposits in banks, accrued interest of $22,113.33, and outstanding premiums of $107,831.14. Laying aside reserves of $1,067,233.24 and providing $202,880 for the payment of losses now in process of settlement, and $59,398.38 for other liabilities the Balkan National shows a surplus to policyholders in its United States department of $535,037.09, an ample security to satisfy the most exacting. The above figures represent an increase in assets of more than $336,000 and an increase in surplus of more than $110,000, notwithstanding the increase of nearly $173,000 in unearned premium reserve. Under the guidance of William C. Scheide & Co. the United States department of this sturdy mountaineer company is assured of the continued confidence of the leading underwriters of the land, as its growing connections indicate. Its record is one to be proud of.

A gratifying increase of premiums was one of the features of the fiftieth year of the **Firemen's Fund** insurance company of San Francisco, whose annual statement appears elsewhere in this issue. Suffering in common with the other companies from the shrinkage in security values the past year, the company is able to present the following notable figures: Assets, $9,864,871.84; premium income, $7,462,946.51; reserve fund, $5,118,514.90; surplus fund, $2,251,245.30; paid-up capital, $1,500,000. These constitute the largest assets, the largest premium income and the largest reserves the company has ever had, and the second half-century is entered upon with confidence and hopes for the success which achievement has justified. The officers are as follows: President, Bernard Faymonville; vice-president, J. B. Levison; secretary, Louis Weinmann; assistant secretary, Herbert P. Blanchard; assistant secretary, John S. French; treasurer, Thomas M. Gardiner; marine secretary, A. W. Follansbee, Jr.

Aimed particularly at the New York brokerage firm of Johnson & Higgins, the **Michigan** insurance department has investigated the laws regulating the writing of fire insurance in that State and has promulgated a **ruling**, of which the following is a part:

Acting upon the opinion of the Attorney General, the Department therefore holds that it is contrary to the law of the State of Michigan, for a non-resident agent to procure or place or do anything in connection with the procuring or placing of insurance upon property or risks within this state, and that all companies will be held responsible for any violation of this law. Because the laws of Michigan do not recognize the broker except as the agent of the company, and underwriters' agencies being nothing more nor less than general agencies of companies, this ruling applies equally as well to non-resident brokers and underwriters' agencies, as to the individual non-resident agent. As this ruling is a reversal of the former practice of the Department, and the Department does not desire to cause companies or agents unnecessary inconvenience, the ruling will not become effective until March, 1914, after which date we will insist upon a strict compliance therewith.

The ruling will be contested in the courts.

At the regular meeting of the **Eastern Union** on Thursday a resolution was adopted stating that it is the sense of the Eastern Union that a contingent commission of not exceeding 5 per cent. should be paid to agents in suburban territory in addition to the flat commission of 20 per cent. (including brokerage), provided the granting of such contingent commission and increase of brokerage from 10 per cent. to 15 per cent. would result in the adjustment of the existing difficulties now confronting the Suburban Fire Insurance Exchange. Colonel A. H. Wray was elected to membership as the representative of the Hand-in-Hand Underwriters, and Edgar P. Luce as the representative of the Franklin Fire of Philadelphia. It was noted that the new dwelling schedule for New York, as modified, seems to be giving general satisfaction.

The engineers of the National Board of Fire Underwriters have reported on the **fire hazards of Pine Bluff, Ark.**, saying in part as follows:

Buildings in the principal mercantile district are lacking in fire-resistive features and numerous walls are in poor condition; the fire department is undermanned, but moderately efficient, and the water supply is mainly adequate, but with unreliable features; high winds are infrequent; streets are of fair width and buildings are low; the danger of a general conflagration is moderate, but the block hazard is fairly serious. Manufacturing and lumber plants would cause spreading fires during the high winds. The shingle-roofed residential sections have the usual high conflagration hazard.

The **local chapter of the National Fire Protection Association** will hold its organization meeting on Wednesday evening next at 8.15 o'clock at the City Club, 55 West Forty-fourth Street. The committee on organization will report and officers will be elected. Several preliminary meetings have been held, and it is believed the chapter will start off with a large membership and plenty of determination to make the work a success.

The **Arkansas Fire Prevention Association** at its annual meeting elected the following officers for the year: President, J. G. Leigh; vice-president, W. Ross McCain; secretary, A. C. McCabe; assistant secretary, A. L. Parker. The executive committee is composed of J. G. Leigh, W. R. McCain, Dan E Wilson, W. Sam. Leake, C. B. Campbell, J. E. Contes and F. C. Hatfield.

An order by Judge Dana at Topeka, Kan., **overrules the State** in the suit begun by the fire insurance companies to set aside the 12 per cent. reduction in rates made by the Insurance Department several years ago. This establishes the complaint made by the companies and the Attorney General has now twenty days in which to file his answer.

A course on **fire insurance engineering** is now being given in the graduate school of the Business Administration of Harvard University under the general supervision of William B. Medlicott, S.B., general agent of the Atlas Insurance Company, assisted by J. Albert Robinson, of the New England Underwriters Bureau.

The report of the **South Carolina** insurance department on the **fires** in that State during January indicates 202 fires reported with an insurance loss of $186,585.76. One year ago the fires numbered 202 with insurance loss of $177,894.33. The greatest number of fires of known cause are attributed to sparks on the roof.

The rivalry between the Home of New York and the American of Newark as to **business in Chicago** during 1913 is shown by the official figures to have been won by the Home, which wrote premiums of $1,030,767, with losses of $574,913, while the American wrote premiums of $1,003,532, with losses of $579,571.

The "final" **resignation of Insurance Superintendent E. H. Moore** of Ohio is announced, also the designation of Deputy Superintendent Robert M. Small as acting superintendent. It was announced at the first outbreak that William Finley would be named to succeed Mr. Moore.

The members of the Insurance Society of New York will be addressed by F. M. Griswold, general inspector of the Home,

Digitized by Google

on **"The Inspector and the Insured,"** at the board rooms of the New York Board of Fire Underwriters next Tuesday afternoon at 5.15 o'clock.

The **North Branch Fire** of Sunbury, Pa., has appointed Edwin C. Wolff of Philadelphia special agent for the State of Pennsylvania. Mr. Wolff was formerly the special agent for the same territory for the American Union of Philadelphia.

There is a **prospect for an extra session** of the Texas legislature. Senator Gibson is quoted as favoring the repeal of the "technical defense law" and the law abolishing the coinsurance clause.

The announcement is made that the Georgia Fire of Atlanta has **reinsured the Alabama business** of the Commercial Fire and the First National Fire of Washington, D. C.

The **reciprocal insurance** concerns have been hit by a **$250,000 loss** in a white lead factory at East St. Louis.

The **National Fire of Hartford** has acquired a large interest in the Forest City Fire of Rockford, Ill.

The **North Carolina** legislative fire insurance **investigation** has been adjourned until March.

The New York Realty Board is **opposing the new fire prevention requirements.**

The **charter** of the New York Board of Fire Underwriters is **to be revised.**

Life Insurance.

The New York Life **declined 7,228 applications** for life insurance aggregating $23,350,354, notwithstanding the scientific handling of sub-standard cases by which many slightly impaired lives are granted insurance of some sort. This fact is commented upon for the benefit of the company's agents by Vice-President Thomas A. Buckner in the current weekly letter as follows:

> The one who makes the best bargain is the one who insures early, the man who insures to-day. Get this thought in some way before your prospects. Seven thousand two hundred and twenty-eight people wanted life insurance last year, needed it, asked for it. Think of the feelings that must have beset them as they learned that a great liberal company like ours, in business to do business, regarded them as uninsurable and had to say in effect, "Not now, my friend; if you'd come to us a month ago, a year ago, two years ago, five years ago, we don't know just when, but sometime, we would have been glad to enroll you in our membership. As it is, we have others to look out for. Your presence here would be a menace; in a mutual company, where the cost is averaged through the mass, it would be wrong to take a risk we could not justify, and, much as we would like to have your money, in justice to our membership our scientific knowledge of the circumstances in your case makes it inadvisable to accept you."

An item going the rounds of the press regarding the revenge which prompted the reduction of the salary of the insurance commissioner of Michigan also asserts that when **J. V. Barry** became aware that his political head was to be lopped off several years ago he immediately "opened negotiations with several life insurance companies in the East, which had for several years sought his services." This part of the story is untrue, as Mr. Barry, who was then the insurance commissioner, went from the Michigan department to manage a publicity bureau at Detroit for the casualty insurance companies at the solicitation of the companies, and after being there a month was released from his contract on account of the insistency of the Metropolitan Life, to which company he then went as assistant secretary. The story says that M. O. Rowland, who served for a time as the successor to Mr. Barry and was replaced by C. A. Palmer, "tipped off" the legislature to the salary and fees being paid to the insurance commissioner and the reduction followed.

The **Connecticut Life Underwriters' Association** held its annual meeting and banquet last Thursday evening. President E. J. Clark, of the National Association of Life Underwriters; Vice-President E. E. Rhodes, of the Mutual Benefit Life of Newark, and William S. Ashbrook, agency secretary of the Provident Life and Trust, were the prominent insurance men who spoke. The following officers were elected: President, Lee C. Robens, Hartford; vice-presidents, Maximilian Stein, Bridgeport; Eli D. Weeks, Waterbury; secretary and treasurer, George W. Green, Waterbury; executive committee, George L. Hunt, Hartford; Oliver W. Gaines, Waterbury; George W. Green, Waterbury; James L. Coyle, Hartford; A. J. Edgar, Bridgeport; Jonathan Adams, New Haven.

Policyholders in the American Fraternal Association of Honesdale, Pa., which was reinsured some time ago in the Columbian Protective Association of Binghamton, N. Y., **will receive about 74 per cent.** of their premiums as the result of the activity of the New York and Pennsylvania insurance departments. The officers of the company retained $18,000 as compensation for effecting the reinsurance, and this amount has now been turned over for the benefit of the policyholders. The concern was one of the kind that promised to return in five years more than members had paid in.

An indictment has been returned against J. C. Piexotto, an insurance agent of Jackson, Miss., who is **charged with embezzling insurance premiums.** Mr. Piexotto is the agent who has a suit pending in the Hinds County Court against Insurance Commissioner T. M. Henry, claiming $10,000 damages. Commissioner Henry refused to issue a license to Piexotto on the ground that he was not a proper person to write insurance. Piexotto has been released on bail until his case comes up in July at Brandon, Miss.

The **Life Underwriters' Association of New York** announces the addition of Edward D. Duffield, fourth vice-president and general solicitor of the Prudential Life of Newark, to the list of speakers at the annual dinner on Tuesday evening. Mr. Duffield's subject will be "The Enforcement of Life Insurance Laws Appertaining to Rebating and Twisting." The committee reports that a large number of tickets have been sold and the dinner will undoubtedly be a great success.

A charter was granted on Monday to the **Southern Central Life of Jackson, Miss.,** which starts with a paid-up capital of $60,000 and surplus of $35,000. All the capital stock has been sold. The company will confine its business to twenty-payment life policies on the monthly premium basis and will begin writing in a few days. I. A. Oliver, of Jackson, will manage the company, and its operations will for the present be confined to the large towns of Mississippi.

The **Life Underwriters' Association of Minneapolis** elected officers as follows at its annual meeting: G. J. Carlson, of the Metropolitan Life, president; J. J. Ahern, of the Massachusetts Mutual, vice-president; Harry W Butts, of the John Hancock Mutual, secretary, and C. N. Patterson, of the Union Central, treasurer. Chairman Horner, of the Committee on Education and Conservation of the National Association, delivered an address.

Digitized by Google

Leading members of life underwriters' associations in New England have formed the **Congress of Life Underwriters' Associations**, and the first meeting will be held at Boston in April, when permanent officers will be elected. The temporary officers are as follows: President, Henry S. Waldron, Springfield; vice-president, Otis D. Arnold, Worcester; secretary and treasurer, Lee C. Robens, Hartford; chairman of executive committee, Clarence C. Miller, Boston.

The annual meeting of the **Indiana Association of Life Underwriters** was held at Indianapolis on February 9th, and the officers elected were George H. Wilson, of the State Life, president; E. E. Flickinger, of the John Hancock Mutual Life, and George M. Spiegel, of the Pacific Mutual Life, vice-presidents; E. H. Young, of the Prudential, secretary, and William E. Osborne, of the Provident Life and Trust, treasurer.

The current number of *Life Association News* announces that Dr. S. S. Huebner, of the University of Pennsylvania, has been **engaged to write the text-book** which the Education and Conservation Committee of the National Association of Life Underwriters is to prepare and publish. The outline of the book has already been submitted and approved by the committee.

The annual meeting of the **Florida Association of Life Underwriters** was held at Tampa February 11th, and the following officers were elected: S. F. Wotton, president; J. W. Gardner, first vice-president; F. E. Broadnax, second vice-president; S. L. Lowry, secretary-treasurer. An increase in membership of over one hundred per cent. was reported.

The New York State Commissioner of Public Health, Dr. Herman M. Biggs, has declared his intention to wage a **campaign against the high mortality among children.** Professor Winslow, a biological expert at the College of the City of New York, has been appointed an advisory expert in the public health education division.

Group insurance seems to be making much progress with the railways and service companies. Among recent railways to adopt Equitable policies, besides the Pittsburgh Railways Company mentioned last week, are the Southwest Missouri Railroad Company and the Pittsburgh, Harmony, Butler and New Castle Railway Company.

The **North Carolina Association of Life Underwriters** at its annual meeting at Raleigh February 10th elected J. E. Quarles, of the Equitable Life, president; Ed. McIlwaine, of the Germania Life, vice-president; T. S. Franklin, of the Jefferson Standard, secretary. Insurance Commissioner Young addressed the meeting.

An Illinois policyholder has brought suit against the Equitable to enforce, if possible, an agent's estimate of the **tontine values** of a policy written in 1882. The lower courts sustained the company, but an appeal has been taken to the Supreme Court, where a decision is expected in April.

The **officers of the Equitable Life** were all re-elected at the annual meeting on Thursday. It was announced that the company has paid 99 per cent. of its death claims during 1913 within twenty-four hours of the receipt of satisfactory proofs of death. This is a new high record.

The case of Herman L. Sigelschiffer, who is **charged with having retained a life insurance premium,** will come up in magistrate's court next Tuesday. Frank G. Dunning, general agent of the Penn Mutual Life, is the complainant.

Part-time agents will not be prohibited in New Hampshire by ruling of Insurance Commissioner Merrill, but he urges that a standard be set and that an insurance solicitor must really be in the business and must so make himself known.

A report from El Paso, Tex., is that **General Villa** has insured his life for $500,000 in favor of his wife and is now ready for the decisive campaign. To make the story believable a photographic copy of the policy is essential.

The contest for the control of the **New World Life** of Spokane, Wash., resulted in the re-election of the old officers, who received the vote of 75 per cent. of the proxies.

The **Montana Life** reports a gain of $1,105,750 in new business in 1913, which totaled $3,603,000. The company now has a net surplus of $275,003.

At the annual meeting of the **Columbian National Life** on February 12th Actuary Walter I. King was elected a director.

Casualty Insurance—Surety Bonding.

The first **clear and correct article on New York State workmen's compensation** to appear in the daily papers was printed in the New York *Sun* of last Sunday over the signature of James J. Hoey, Deputy Insurance Superintendent of New York. It was written in academic language and presented the facts so that the merest novice might obtain a clear idea of the situation and of the effect of workmen's compensation upon the industries of the State. The publication of the article, which was prepared at the request of the owner of the paper, will, it is hoped, counteract some of the effect of fulminations by uninformed and viciously inclined newspapers. Mr. Hoey described carefully the main provisions of the workmen's compensation law and set forth the advantages and disadvantages of the various forms of insurance to be permitted. The following are extracts from the article:

The State fund is under the supervision of the proposed Compensation Commission, who are authorized to fix rates and make such rules and regulations as may be necessary. This plan, in my opinion, is going to be a very hard problem to work out, but its success will be largely determined by the character and ability of the members of the commission. It is a matter of divergent opinion whether or not the State should engage in active competition with private capital, and having once embarked in the insurance business it remains to be seen whether or not it can build up an efficient and economical organization at a minimum of expense to the taxpayers.

The expenses of the State fund are for a limited period to be paid by the State, which will be a decided advantage for this plan. The doubt exists, however, that the rates may be made too low, and notwithstanding a specific declaration that "the fund shall be administered by the commission without liability on the part of the State beyond the amount of such fund," inasmuch as there is no provision made in the law for the levy of any additional assessment on employers who are insured in the fund to cover any deficit that may arise, the State may be confronted with a financial obligation which was never intended or anticipated.

Employers are permitted to insure their liability in the stock insurance companies as at present existing. All payments, however, must be made through and with the approval of the Compensation Commission.

Employers are also permitted to insure their liability in mutual companies the supervision and control of which are placed in the Insurance Department. The approval of the rates charged by the stock and mutual departments by the Insurance Department was provided for in a bill which passed the Legislature, but was vetoed by the Governor because of some ambiguous language. The bill, however, will be trued up and will no doubt be enacted into law at an early date.

A decided advantage for the mutual and stock companies over the State fund is that they can give to the insured complete coverage, that is insurance against common law liability and liability under the compensation law.

The mutual companies will also have an additional advantage over

Digitized by Google

the stock companies in that they will not have to pay an acquisition cost to get business, and they can reduce the administration cost to a minimum. On the other hand the stock companies have a highly efficient corps of trained experts, and even with the handicap mentioned are in a position to be of great service to the assured in the prevention of accidents, which, after all, is the fundamental proposition underlying the whole scheme of compensation.

The annual dinner of the **Casualty and Surety Club of New York** was held at the Hotel Martinique on Tuesday evening. As usual, every one had great expectations of an enjoyable evening, and none went away disappointed. The entertainment committee, composed of Messrs. Nelson Sterling, Ten Broeck M. Terhune and Bayard P. Holmes, won many compliments for the menu and the cabaret. If applause is any criterion, the Hon. James V. Barry, assistant secretary of the Metropolitan Life, took the premier honors of the evening with his capital stories and jokes. Mr. Barry did full justice to the announcement of Mr. Holmes. Telegrams from General Manager Norman R. Moray, of the Hartford Accident and Indemnity, arrived in the early part of the evening, as did also Mr. Moray himself. Appropriate presents covering a wide range of subjects were given to several members of the club by President William C. Mulvey. Toward the latter part of the evening a newsboy appeared crying a special extra of the "Casualty and Surety Gazoo." He had on hand several hundred copies, which he disposed of to Mr. Holmes for thirty cents. The attention of the insurance journalists present was called to the fact that this paper differed from some other insurance mediums in that it contained real news. A serious announcement was made by President Mulvey that the first downtown meeting is to be held on March 24 at some suitable place to be announced later. On that occasion a buffet luncheon will be served.

Six **lectures on steam boiler** insurance will be delivered before the casualty members of the Insurance Institute of Hartford, beginning March 17th, and followed by one each week. The course will be as follows:

March 17—"The History and Theory of Steam Boiler Insurance," by Lyman B. Brainerd, president of the Hartford Steam Boiler.

March 24—"Boiler Design and Construction," by Henry Wilkinson, designing engineer, Travelers Indemnity.

March 31—"Boiler Underwriting," by C. S. Blake, secretary Hartford Steam Boiler.

April 7—"Boiler Inspections," by S. F. Jeter, chief inspector of the Hartford Steam Boiler.

April 14—"Analysis and Treatment of Feed Water for Steam Boilers," by C. S. Williams, chemist of the Travelers Indemnity.

April 21—"Use and Occupancy Insurance," by W. R. C. Corson, assistant secretary of the Hartford Steam Boiler.

The following programme has been announced for the semi-annual meeting of the **National Mutual Union,** which is to be held at Milwaukee on February 24th, the day previous to the midwinter meeting of the Detroit Conference:

Address, "Claim Adjusting," David H. Keller, M.D., Chicago, independent adjuster of accident and health claims and editor of the claim department of The Industrial Review.

Address, "Mutuality," M. F. Van Buskirk, editor of the Mutual Underwriter.

Address, "Expense Ratio," C. W. Ray, secretary Hoosier Casualty.

Discussion of Mr. Ray's paper, E. C. Edmunds, treasurer Workingmen's Mutual Protective."

Address, "The Service Bureau," F. L. Sward, manager of the bureau.

Address, "Sickness Benefit Funds Among Industrial Workers," W. L. Chandler, Dodge Manufacturing Company, Mishawaka, Ind.

The **United States Casualty** has announced a number of important **changes** in the personnel of its home office force. Chauncey S. S. Miller, one of the most widely known young men in the accident and health insurance business, who has been acting as executive special agent of the company for the past year, has been made manager of the personal accident and health department, succeeding Herbert L. Kidder, who has been made agency superintendent of the liability department. Jacob J. Dorn, who has been manager of the liability department, becomes executive superintendent, and Dr. R. S. Keelor, for two years liability underwriter, is made liability manager.

With the statement that it **bonds more people** than any other company in the world, and a financial statement showing $1,500,000 net surplus and a reserve fund of $170,139.69 aside from the usual reserves required by law, and with assets amounting to $7,158,984.05, the National Surety Company of New York begins the new year with flying colors. President Joyce has again demonstrated his ability to produce results that count in the surety business, and his worthy co-workers will share in the satisfaction which he must feel in surveying the year's record as published in full elsewhere in this issue.

The **London and Lancashire Guarantee and Accident** has appointed Rickerstaff, Richards & Co., of Atlanta, general agents in Georgia for all lines. The agency will at once organize a casualty department in charge of a competent underwriter. Other **appointments** announced by this company are G. L. Meyers & Co., general agents for Arkansas and Tennessee, in which States applications for admission have been made, and M. A. Craig as superintendent of the surety department at the Chicago offices.

A **verdict for $23,000** which one Albert Newton Ridgely secured against the Ætna Life on a policy granted to him as a "financial reporter and writer," but which was recovered on a claim for injuries sustained while trying out his new biplane, was **upset** by the Appellate Division of the New York Supreme Court this week. The court held that his statement in the application that he was not contemplating any hazardous undertaking was one on which the company had a right to rely.

The **resignation of Raymond D. Steele** as superintendent of the casualty departments of the United States Fidelity and Guaranty, mentioned in this paper several weeks ago, has become effective, and Mr. Steele is now registered at the New York Law School, where he will complete the course of study interrupted when he took up insurance seventeen years ago. Mr. Steele has been highly successful in the insurance field. He expects to locate at Binghamton, N. Y., next fall.

The National Association of Casualty and Surety Agents **protests against the writing of blanket policies** of accident insurance on the plan followed by the surety companies with bankers' associations. President Wade Fetzer has had information that such a plan has been proposed to the Workmen's Compensation Service Bureau, and he objects on the ground that it would seriously affect agents.

The Service Bureau of the Detroit Conference has lately published a pamphlet showing the various **insurance laws and department rulings** affecting health and accident insurance. The book was first published several years ago by Vice-President R. Perry Shorts, of the United States Health and Accident Company, and the present revised and enlarged edition has been prepared by Manager F. L. Sward.

The newspapers which exploited the arrest of **John W. Sherwood,** an insurance adjuster of 34 Pine Street, in connection with the theft of an automobile, as a sensation, have been obliged to retract and explain that he was connected with the transaction by design in order to capture the real culprit. Mr. Sherwood was discharged from custody after the court had fully exonerated him.

Digitized by Google

The **Tennessee State Compensation Commission** has opened its hearings preparatory to recommending legislation on workmen's compensation to the legislature. The Tennessee Manufacturers' Association urges that action be deferred until some two States have enacted agreeing laws on the subject.

Thirteen business men in the vicinity of Utica, N. Y., have incorporated the **Utica Mutual Compensation Insurance Corporation** to furnish workmen's compensation insurance under the new New York law. The concern has taken all the necessary steps and is ready to issue policies.

The Preferred Accident has **resigned** from the Plate Glass Underwriters' Association and from the Plate Glass Service and Information Bureau. The reason given is that the changes in rating became so numerous as to make it difficult to know the real rate on many risks.

The **Equitable Surety** has announced the appointment of Wallace Stevens as resident vice-president at New York. Mr. Stevens is a lawyer and has had seven years' experience in surety underwriting with the American Bonding Company and the Fidelity and Deposit.

The **attempt to mandamus** Insurance Commissioner Collier of Texas in the matter of workmen's compensation rates **has failed** and the agreement of a few days ago, which was to continue for ninety days, has been declared effective and will stand.

The **Western Indemnity of Dallas, Tex.**, which has been in process of organization, has opened offices for the transaction of business. J. H. Pickrell is at the head of the company, which has an authorized capital of $400,000.

The Ætna Life has analyzed the reports of accidents in the streets, with the result that trolley cars **furnish more accident claims** than do the steam railroads. The investigation extends over a period of five years.

An effort is being made in Ohio **to revise the court practices** so as to make it known to the jury in actions for personal injury and other damages whenever an insurance company is a party to the defense.

There is a feeling in **Maryland** that the great number of **workmen's compensation bills** up in the legislature may result in the enactment of no law, or perhaps an undesirable one.

The **Royal Indemnity** has appointed Stokes, Packard, Hughton & Smith, of Philadelphia, its exclusive agents for fidelity and surety business in Philadelphia.

The **Masonic Mutual Accident** of Springfield, Mass., has applied for license to transact business in Mississippi.

The **plate glass situation** is again acute, and a meeting is to be held soon to consider the situation.

The Louisiana courts have decided that **one license is sufficient** for a multiple line company.

The London and Lancashire Guarantee and Accident has been **licensed in Tennessee.**

Personal.

AGENCY APPOINTMENTS

Connecticut Mutual Life: Raleigh W. Dodson, general agent for Virginia, to succeed Frederick W. Smallman.

Germania Life: J. Edward McIlwaine, manager for North Carolina.

Home of New York: H. M. Zimmer, of Chicago, State agent for Illinois, succeeding Fred Wise.

Insurance Company of the State of Pennsylvania: E. C. Dewolf, special agent for New Jersey and Eastern Pennsylvania.

Mutual Benefit Life: Herbert J. Seads, general agent for Central Pennsylvania, with headquarters at Altoona.

Mutual Life of New York: N. A. Tenney, superintendent of agents for Montana; A. M. Riley, superintendent of agents for Idaho and Eastern Washington.

National Life Insurance Co., U. S. A., R. E. Turner, general agent, San Francisco; Jas. F. Allen, state agent, Seattle; J. Herbert Seipel, general agent, Easton, Pa.; L. E. Walther, Jr., state agent, Little Rock, Ark.; C. T. Beedle, general agent, Kansas City, Mo.; Otto Behrens, general agent, Davenport, Iowa; M. Weir, general agent, Xenia, O.; Harry O. Weisel, general agent, Middletown, O.; O. L. Bott, general agent, Columbus, O.; Jones & Garrard, general agent, Akron, O.; A. W. Crossett, state agent, Concord, N. H.

Urbaine of Paris: James F. Hill & Son, Philadelphia, Pa.

Williamsburgh City: A. M. Lovelace, special agent for Oregon and Western Washington.

Mr. John J. McDonald, late Western manager of the Connecticut Fire, who retired from that position on January 1, on account of his health, died at Chicago, from pneumonia, February 8. He was a Scotchman, native of the Isle of Sky, born there in 1843, and came to the United States in 1869. The following year he went into the local fire insurance agency business in Missouri, became special agent of the Continental in 1873 and general agent in 1891, and subsequently manager for the Connecticut Fire. He was a marked character, mentally and physically, and is survived by his wife and six adult children, one of whom is J. J. McDonald, Jr., special agent of the Connecticut Fire at Chicago.

Mr. Chauncey S. S. Miller, who has just been promoted by the United States Casualty Company, is widely known in casualty insurance circles. He was for several years secretary of the Casualty Company of America, and was later assistant to the president of the Continental Casualty of Chicago.

Mr. William Hovey Friend, formerly secretary of the Sun Insurance Co. of San Francisco, died on February 9th, aged 74. Deceased had lived on this Coast for nearly a half century. His son was associated with George Butler in a San Francisco general agency.

Mr. Thomas H. Anderson, deputy assistant manager for the Southern department of the Liverpool & London & Globe at New Orleans, has been appointed deputy assistant manager for the Pacific Coast department, with headquarters at San Francisco.

Mr. Guy A. Richards, State agent of the Commercial Union and Palatine for Illinois, has resigned, to go into the local agency business in Chicago. He has been in the business many years, and became State agent for the Commercial Union in 1903.

Miss Ada C. Sweet, manager of the women's department of the Chicago general agency of the Equitable Life of New York, is to devote herself to literary work. She is succeeded by Miss Sara F. Jones, who has been her assistant.

General Manager A. G. Dent of the Liverpool and London and Globe is coming on the *Cedric*, due to arrive on Sunday. He will go to San Francisco to select a successor to John W. Gunn, the late Pacific Coast manager.

Mr. D. G. C. Sinclair, of the Metropolitan Life, is preparing to organize a Caithnes County Society for New Yorkers who came from that section of Scotland, of whom there are a large number in the city.

Ex-President Skilton of the Phœnix of Hartford, who died in January, left an estate that has been valued at $104,271. Among the stockholdings were 150 shares of the Phœnix, valued at $53,700.

Mr. Nelson B. Jones, late special agent of the Insurance Company of the State of Pennsylvania for Michigan, died February 3 at Detroit, aged 78 years, from the effects of a stroke of paralysis.

Mr. J. H. MacFarlane has resigned as state agent for the Newark Fire in Michigan and Ohio, to become executive special agent for the Cleveland National Fire, taking effect in March.

Ex-Vice-President James H. Hyde of the Equitable Life is contributing to the Paris *Matin* a series of articles on the influence of contemporary French philosophers abroad.

Mr. J. H. Aldridge, of Dallas, Tex., special agent there of the Massachusetts Bonding, has been transferred to Houston, and will cover the South Texas territory.

Mr. Harry V. Webb has been appointed head of the automobile adjusting department of the General Accident, succeeding A. L. Ashmead, resigned.

Mr. J. H. Steppens, manager for the last five years for the North American Accident at Utica, N. Y., died there February 5, from consumption.

Mr. Cyrus A. Hardy, head of the Chicago local agency of G. M. Teall & Co., died February 16 from pneumonia, aged 69 years.

Colonel George W. Crosley, agent for the Equitable Life of Iowa for more than twenty years, died at Webster City, Iowa, February 7.

President Joyce, of the National Surety, departed on Wednesday of last week on a voyage to Europe and a short stay abroad.

Mr. D. P. Hall has been elected secretary of the German-American Life of Omaha, succeeding the late Dr. Horace T. Holden.

Captain John B. Littlejohn, for thirty years a local fire insurance agent at Fort Worth, Tex., died February 8.

Digitized by Google

Mr. John P. Gucker, assistant secretary of the Camden Fire of New Jersey, died February 11th at Camden.

Mr. C. A. Braniff has retired as Kansas City manager for the Fidelity and Deposit of Maryland.

Mr. S. A. Carr, manager at Selma, Ala., for the Volunteer State Life, died February 6.

Miscellany.

Actuary Grow on Disability Benefits.

Actuary A. R. Grow, of the New York Life, gave a very interesting talk on disability benefits at the recent agency conference, in which he outlined the plan as put in practice under policies of that company. The address covers the subject so thoroughly and clearly that we reproduce it in full, as follows:

The New York Life introduced the "waiver of premium" benefits in its policies in July, 1910. Previous to that time the feature was comparatively rare in life insurance policies.

Since 1910 the popularity of this feature has brought about a remarkable increase in the number of companies that include disability benefits in their policies. During 1913, out of 250 doing business in the United States, 160 were offering disability benefits, and the time is not far distant, in my opinion, when every company which claims to be at all progressive will include some such feature in its policies.

It was a perfectly natural thought that a man should have the option of buying a limited-payment life policy so that, by paying a little more each year, he might be free from the risk of losing his insurance when old age comes with all its possibilities of diminished income. The idea of provision against loss of income has developed. To-day the companies are offering a policy that furnishes sure relief when the bread-winner, through complete disablement, is unable to earn the money with which to support his family. Without the disability provision, the insurance would sometimes be lost just at the time when there is the greatest need for it.

TOTAL DISABILITY IS OFTEN A LIVING DEATH

It is as reasonable to provide that when a man becomes completely disabled he shall have no more premiums to pay as it is to issue a 20-payment life policy at thirty-five in order that the premiums shall cease at fifty-five. When a man is totally disabled, he becomes a care and expense to his family; his income is cut off; he must have proper care and medical attention; the sympathies of the family are deeply stirred; they find it difficult, and sometimes impossible, to pay the premium—in fact, they are often in dire distress and have not the means to secure the daily necessities of life. Without the disability benefits the family will find themselves obliged to borrow on their insurance policies in order to pay the premium, while, in many instances, to meet current expenses they have already borrowed to the limit. With no means of meeting the premium, the family would lose the insurance at a time when its value had been largely increased by disability.

While the calamity of complete disability overtakes only a small proportion of the total number of insured, the addition to the premium is such a trifle that any one can afford to pay for it, while he can get it.

LIFE COMPANY CANNOT CANCEL THE POLICY

I think agents do not realize how much there is in the words—"while he can get it." For there is one point in which disability benefits combined with life insurance are very different from the benefits granted in the policies of companies transacting accident or health insurance. Accident insurance policies, like fire insurance policies, give the company the option of canceling the policy. The insured therefore does not have the right to renew the benefit each time a premium falls due. Sickness or health insurance policies usually contain a provision allowing the company the option of cancellation. This is a point which should not be forgotten in canvassing. The disability feature in our policies, being simply a part of the insurance policy, is renewed and continued in force with the rest of the contract every time the premium is paid, and the company must continue this benefit even if the individual risk has greatly increased, due to poor health or to change in occupation.

PREMIUMS ALWAYS THE SAME

Another fact which must not be forgotten in connection with the disability benefit in life insurance policies when compared with accident or health insurance is that even when an accident or health insurance company might not go so far as to cancel the policy, they will surely increase the premium if they find that the risk is increased, due to change in occupation or to ill-health. In our policies, once the policy is issued the premium remains the same no matter if the insured changes his occupation or becomes ill and therefore more liable to become completely incapacitated.

BENEFITS IF DISABILITY OCCURS BEFORE AGE SIXTY

If the insured becomes totally and permanently disabled before age sixty, and submits proofs to that effect before default in the payment of the next premium, that premium will be waived, and the company will continue to waive each future premium as it becomes due during disability. One year after proofs are received the company will begin to pay the amount of the policy in instalments, one-tenth being payable at that time and one-tenth in each succeeding year until the company has paid an amount equal to the face amount of the policy and any additions from dividends.

The right to receive the full benefits, including waiver of premium and installment payments, continues until the company has paid the full amount insured. It does not matter if, during the time when the premiums are being waived and when the instalment payments are being made, the insured should reach the age of sixty or not.

An example may serve to make this provision of the policy clearer. Let us assume that a man takes a policy at age thirty-five and becomes disabled at age fifty-eight. He would then receive all the installment benefits just the same as if he had become disabled at age forty. The fact that during the time of installment payments he may or may not pass age sixty has no effect on this provision of the policy.

BENEFITS IF DISABILITY OCCURS AFTER AGE SIXTY

Some may wonder why the company does not extend the disability benefits in full force on an ordinary life policy so long as the policy is continued; in other words, they wonder why the company changes the style of the benefit if disability occurs after the insured reaches the age of sixty. The reason is that the chance of disability increases very rapidly at ages over sixty. Practically every one is disabled and unable to earn a living long before age ninety-six, which is the extreme limit of the age in the table of mortality on which the premium is calculated.

If the company were to grant the full disability benefits, including installment payments, to those cases where the disability occurs at ages over sixty, it would materially increase the cost throughout the whole duration of the policy, because many cases would become disabled after age sixty and mature practically as 10-year endowments payable in ten installments. By limiting the benefit to waiver of premium if the disability occurs after age sixty, and reducing the amount of insurance for such waived premium, the cost is much less than it would be if the company should grant full disability benefits in all cases.

HOW POLICY WORKS OUT IF DISABILITY HAPPENS AFTER AGE SIXTY

After the insured is sixty, if he becomes disabled, the premiums are waived by the company and the face of the policy is reduced by each premium waived. The reduction in insurance reduces the premium also, so that the second premium deducted is less than the first, and the third is less than the second. The longer the disability continues, the smaller is the premium deducted.

COMPARED WITH TERM INSURANCE

Now let us see how this works out as compared with term-extension. Let us assume that a man of fifty takes an ordinary life policy for $1,000. He pays premiums for fifteen years, or until he is sixty-five, then he becomes totally incapacitated. He could take the term-extension under his policy, and be insured for $1,000 for nine years and five months. If he is living at the end of that time his insurance would run out. We must also consider the possibility that the disability, which seemed to be permanent, might after a year or two prove to be merely temporary. The insured might partially recover, as some do, and on account of the insured's not being able to pass a medical examination, the policy could not be reinstated.

Let us suppose, however, that the insured makes application to have his premiums waived, beginning with the sixteenth premium, and that this is allowed; the account would stand about as follows:

(*Continued on page 160*)

Digitized by Google

The Weekly Underwriter:

MONTHLY LIABILITY INSURANCE SUPPLEMENT.

NEW YORK, FEBRUARY 21, 1914.

THE NEW YORK WORKMEN'S COMPENSATION LAW

An Illuminating Exposition of the Doctrine of Compensation, as Compared with That of Employer's Liability—History of Other Compensation Laws

By Julian Lucas, Jr., Vice-President, Davis, Dorland & Co.

In order that we may better comprehend the subject under discussion, I should like to call your attention briefly to the history of the law of negligence as applicable to the relation of master and servant or employer and employee.

It is my purpose to show the gradual change of the theory of common-law negligence founded on the fault or negligence of the employer and its development through statutory modifications, known as employer's liability laws, into the modern system of workmen's compensation, under which every injured employee is compensated regardless of fault.

It has been said that the change from the doctrine of the employer's liability founded upon negligence to the principle of workmen's compensation, under which system an injured employee, or his next of kin in the event of death, are compensated regardless of fault, is

NOT AN EVOLUTION, BUT A REVOLUTION.

Under the common law, or under employers' liability laws, which are statutory modifications of the common law, an employer is liable for injuries to his employee only when the employer is guilty of negligence; an employer, however, must furnish his workman with a reasonably safe place to work, safe tools, machinery, etc., subject, however, to the unavoidable risks of the industry; an employer is not liable for an accident due to the fault of an injured workman, or where his carelessness contributed to it, or where it is due to the fault of a fellow-servant; of course, these rules have been modified by the different States in various ways, depending upon the views of the particular law-makers of the given State.

Under the common law and up to the passage of Lord Campbell's Act, the right of an action of an injured employee against his employer died with the person; in other words, there was no remedy for a fatal accident caused by negligence; and even up to a very recent period in our own and other States an injured employee having a right of action against his employer lost the right of action if he died from any other cause than from the injury received.

THE FELLOW-SERVANT RULE

was laid down in 1837 in the historical English case of Priestly *vs.* Fowler, and was adopted in this country in 1844 by Chief Justice Shaw in a Massachusetts case. The courts of other States within a very short period adopted this principle. In England, however, the rule was carried to an extreme, it being held that all employees, including managers, superintendents and ordinary laborers, were engaged in common employment.

The severity of the English decision in the application of the fellow-servant rule resulted in the statutory modification of the law by the enactment in England in 1880 of a law known as the Employers' Liability Act. As a result of this law our legislatures were quick to follow the adoption of employers' liability laws founded on the English act.

Within a very short period most of the States produced employers' liability laws, no two of which were alike. The so-called employers' liability laws aimed to enlarge the responsibility of the employer by narrowing the fellow-servant rule and making managers, superintendents and foremen vice-principals of the employer. This was done for the purpose of maintaining the personal responsibility of the employer, which had been to a large extent eliminated by the growth of the corporate system.

Another modification was the changing of the rule of assumption of risk, so that the employer was charged with defects in the ways, works and machinery unknown to him, which defects prudence would have disclosed.

It must be admitted that the remedies under the common law and under the employer's liability laws have not kept apace with the development of modern industries and are working not only an injustice to the employee, but to the employer as well.

Consider the few modifications of the common law theory of negligence during the last fifty years and then reflect in your minds the extent that the old primitive methods have been revolutionized; consider the development of the modern factory system, with its complicated machinery, with its rapidly revolving wheels, pulleys, cogs, belts, saws and knives; consider the hazards of the mine, of the risks involved in construction of bridges, tunnels and the modern skyscrapers.

THE REPORT OF THE WAINWRIGHT COMMISSION

to the New York Legislature in February, 1910, shows that under the system of employers' liability only one injured workman in eight gets anything, and that only 36.4 per cent. of the gross premiums paid by employers for liability insurance goes to the injured workman and the balance is expended for legal advices, claim-adjusters, lawyers and commissions.

The casualty companies say that these figures, which are based upon a limited amount of premium income as well as on the three-year period only, do not show the actual results, and that as a matter of fact they are still paying claims on these losses which occurred in the years 1906, 1907 and 1908.

It is well nigh impossible in many cases to determine whether the employer or employee was negligent. It is not an uncommon occurrence for an employer to be mulcted in excessive damages for an accident for which under every rule of right and reason he should have paid nothing. It is no uncommon occurrence for an injured employee, injured by reason of the negligence of his employer, to receive nothing owing to the technicalities of the law, or by reason of having been tricked by an over-zealous claim agent of an insurance company into giving a release in consideration of a paltry sum, even in such cases involving the loss of an eye, arm or leg.

It is a rule that an injured employee, after consulting a particular class of lawyer, will not listen to reason, makes outrageous demands, becomes the enemy of his employer and loses the friendship of the one man who is most certain to continue his employment, especially if his injuries have left him in a crippled condition.

The casualty companies frankly admit that there have been abuses, but insist (and I think rightly, having for some years come in contact with the system of employers' liability and having watched its operations from every angle) that most all its defects and criticisms are due to the fault of the system; they say they must conduct their business in accordance with the law, their premiums are based on legal liability and they must treat all claims resulting from accidents to workmen from a business and not a humane standpoint, and it naturally follows that it has been their invariable practice to

SETTLE CLAIMS AT THE LOWEST COST

That the present system of employers' liability as applicable in the State of New York is not only wasteful, uncertain and does neither justice to the employer nor employee, any fair-minded man who has given thought or study to the subject must admit; that it tends to foster and create bad feeling and antagonism between employer and employee is beyond question; that it is a powerful factor in preventing the harmonizing of friendly relations between the two, which is so much to be desired, cannot be doubted. Let us consider the

UNDERLYING PRINCIPLES AND THEORIES

of the system of workmen's compensation as advanced by its exponents.

Digitized by Google

We are told "that the economic burden of injury should be shifted from the individual to the employment and through it to society by charging it to the cost of production; that he who creates an enterprise and induces men to labor among arms of steel moving at a high rate of speed establishes a source of danger and becomes responsible for damage resulting from this source; that the employer and employee should assume equal responsibility for industrial accidents and that the employer should pay approximately fifty per cent. of the wage loss for injuries suffered, and that the injured workman should suffer unrelieved the remaining fifty per cent. of such loss; that under the system of employers' liability less than eighty per cent. of accidents occurring in industrial establishments are provided for, and that the withholding of compensation from this large percentage of accidents results in a lower standard of living for the injured workman and family, education for his children, and in an increase in the number of persons dependent upon private and public charity for support."

It cannot be questioned that the system of workmen's compensation is a powerful factor in the prevention of accidents. The great burden put upon the employer, in that all accidents must be compensated regardless of fault, creates a financial inducement to safeguard his plant against industrial accidents.

SAFETY ENGINEERING HAS MADE CONSIDERABLE PROGRESS

in the last few years in this country, and the adoption of a system of schedule rating known as "Merit Rating" will, to my mind, be as powerful an agent in reducing the number of industrial accidents as the system of schedule rating in fire insurance has been a factor in improving building construction and fire protection.

Under the so-called Merit Rating system, which is already in operation in several States, in establishing the rate there are taken into consideration many interesting features, and I would like to call to your attention a few of them, for which either debits are charged or credits allowed, viz.: Height, condition and type of construction of building; conditions of stairways and exits; number of boilers and engines, and condition thereof; condition of shafting, hangers and system of oiling; number of elevators and hoists and their condition; percentage of adult workers; percentage that can read or speak English; previous accident experience; crowded condition of machinery; light, ventilation and sanitation; provision for first aid to the injured; signs of warning at dangerous machines; instruction to employees in safety, fire protection and extinguishing apparatus, etc.

Safety engineering will open up a broad field for hundreds of young men, and to my mind offer better remunerative opportunities than are now afforded in fire insurance engineering.

WORKMEN'S COMPENSATION INSURANCE IN ENGLAND

Under the British Workmen's Compensation Act, which was originally passed in 1897 and extended to 1906, not only are working acts compensated, but certain specific occupational diseases also come in under the act. Workmen earning in excess of $1,250 per year are not entitled to compensation, unless they are engaged in manual labor. The scale of compensation of fifty per cent. of the weekly wage, and the compensation commences at the end of the first week. The maximum weekly compensation, however, is limited to $5.00 per week. There is a maximum limit of $1,500.00 in death cases. The act covers practically all classes of employment. The insurance is voluntary and is covered by the casualty companies.

If injury is caused by the employee's wilful and serious misconduct, compensation is not allowable, unless death or serious permanent disability follows:

The workman, after an injury, may accept compensation or elect to sue at law for damages. If he fails to recover damages, he may still elect compensation, but is liable for all costs that the court may see fit to assess against him by reason of the action at law.

WORKMEN'S COMPENSATION ACT IN GERMANY

Germany was the first country to adopt a Workmen's Compensation Act which covers practically all industries. It was passed in 1884, further extended in 1885, and brought up to its present form in 1900. The act is administered by an Employers' Association, and each employer is compelled by law to join the association representing his particular industry.

There are about sixty-seven employers' associations in Germany, which associations are given broad legal powers and are authorized to assess the premiums against their individual members.

The officers of the associations are selected from among the members, and the government simply supervises the funds. The cost of the compensation is paid for by the employer only.

During the first thirteen weeks following an injury the workman is paid out of the sickness fund, which is contributed by the employer and the employee. The employer contributes one-third and the employee two-thirds. If the disability lasts more than a period of thirteen weeks, the employers' association steps in and assumes responsibility. The scale of compensation runs as high as 66⅔ per cent. of the annual wage for total disability. In figuring compensation, only one-third of the annual wage in excess of $357.00 is considered.

In spite of the fact that Germany has made further progress in the direction of accident prevention than any other country, nevertheless, the frequency of accidents is steadily rising. Germany's industry to-day is burdened with a daily tax of $500,000, which approximates $160,000,000 yearly.

NEW YORK STATE WAS ONE OF THE FIRST

to pass a compensation law in 1910, and since that time legislatures of some twenty-two States have adopted the principle of workmen's compensation. The New York law was held unconstitutional in March, 1911, by the New York Court of Appeals, on the ground that it deprived the employer of property "without due process of law." Let us now consider the present workmen's compensation law, which was approved on December 16, 1913.

SYSTEM.—It provides for compensation with compulsory insurance; supervision and administration of the law being under the control of the State Workmen's Compensation Commission, consisting of five members; it creates a State Insurance Fund, and gives to the Commission power to fix rates of premiums and determine the classification of risks under same; it provides that all payments for compensation be made through and distributed by the Commission, and gives to it such inquisitorial powers as the Commission may deem necessary in order to administer the provisions of the law.

CONTRACTING OUT.—Any agreements between an employer or employee to waive right to compensation are void. All agreements for contribution by employees are void.

EMPLOYMENTS COVERED.—All employments carried on in trade, business or occupation for pecuniary gain in certain hazardous occupations specifically enumerated. Farm labor and domestic service, however, are expressly excepted. Certain so-called hazardous occupations are divided into forty-two groups, and each industry which goes to make up the group is specifically mentioned. In defining the industries, however, the language leads to much doubt, confusion and uncertainty as to employments within the scope of the act. It is almost certain that every manufacturing industry will come in whole or in part under the law. As to whether a particular industry comes under the law cannot be determined finally until decided by the courts. Employees engaged in the operation (other than on tracks) of automobiles, trucks, cars, wagons or other vehicles propelled by steam, gas, gasoline, electric, mechanical or other power, or drawn by horses or mules, are included in the law. It would seem that private coachmen or chauffeurs operating vehicles for pleasure only are excluded from the law for the reason that only employments carried on by the employer for pecuniary gain are covered.

INJURIES COVERED.—All accidental personal injuries "arising out of and in the course of employments, unless due to intent to injure self or another, or to intoxication." The question whether an accident arises out of or in the course of employment probably has been more often the subject of judicial interpretation than any single feature of workmen's compensation laws.

Our courts in determining this question no doubt will follow the decisions of the English courts, a few of which I desire to call to your attention.

ARISING OUT OF AND IN THE COURSE OF EMPLOYMENTS

COMMERCIAL TRAVELERS.—The English courts have held as a rule that commercial travelers are regarded as acting in the course of their employment so long as they are traveling on their employer's business, including the whole period of time between their starting from and returning to their place of business.

RETURNING TO WORK.—A workman engaged as a laborer on the public roads was required to go for his pay to a certain spot situated some distance away; the workman was paid for the time occupied in going to and fro, and while returning to his work he was injured. It was held that the injury arose out of and in the course of the man's employment.

DOMESTIC SERVANT.—A servant residing in her mistress' house was suffocated in her bedroom through a fire which broke out in the house; she and the cook, who roomed with her, were

Digitized by Google

suffocated. It was held that the accident arose out of and in the course of employment.

LIGHTNING.—A workman engaged on the road during a storm was struck by lightning. It was held that death was not occasioned by accident arising out of the employment. In another case, however, the courts held that where a workman was struck by lightning while working on a scaffold on the side of a building he was entitled to compensation on the theory that his place of work particularly exposed him to the hazard of lightning.

SAVING OF LIFE.—An accident occurring while making the attempt to save the life of a fellow-workman was held to arise out of and in the course of employment.

SKYLARKING.—A boy cleaning machinery while at work was skylarking with another boy and accidentally started the machine and thereby injured himself. It was held that the accident did not arise out of the employment.

SUNSTROKE.—It was held that the driver of a baker's wagon receiving a sunstroke on a hot summer's day was not entitled to compensation on the theory that the sunstroke had nothing to do with his employment.

MALICIOUS INJURY.—A workman received an injury to his eye resulting from a piece of iron maliciously thrown by another workman, and it was held that the accident did not arise out of or in the course of the employment.

WILFUL INTENT AND INTOXICATION.—The act provides that where the injury is caused by the wilful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee, neither the injured employee nor any dependent shall receive compensation.

The principle of denying compensation where serious and wilful misconduct causes the injury is present in most all workmen's compensation laws; this departure of the New York law in not excluding wilful misconduct is a radical departure, as may readily be seen from a few decisions of the English courts on this subject.

WORKMEN.—If a workman unnecessarily breaks an expressed and emphasized order solely for his own protection, and which he fully understands and appreciates, he is guilty of serious and wilful misconduct and not entitled to compensation.

SERVANT GIRL.—A servant girl was forbidden to stand on the ledge of a glass frame to hand out clothes; she did stand on it, slipped, and was injured. It was held that the applicant was guilty of serious and wilful misconduct.

WORKMEN.—It is serious and wilful misconduct for a workman to deliberately meddle with new and unfamiliar machinery contrary to an expressed order given to him immediately before.

DISOBEDIENCE OF ORDERS.—A workman who was injured while doing something which he has been forbidden to do cannot be said to have been injured while during the course of employment.

WHO ARE DEPENDENTS.—Dependence is not defined, but is determined in accordance with the conditions at the time of the accident. Beneficiaries are limited to widow, dependent widower, dependent children, grandchildren, brothers and sisters under the age of eighteen years, and dependent parents and grandparents.

EXAMINATION.—Injured employees must submit to examination when requested by the Commission as provided by its rules. Employer and employee may have physicians present. Refusal simply suspends the compensation period until such time as examination is granted.

POWERS OF COMMISSION.—The Commission has the power of adjusting and determining and may modify and review an award. However, in most instances appeal may be made within thirty days to the Appellate Division of the Third Department.

Commissioners have the power to commute periodical payments to one or more lump sums, whenever, in the interest of justice, it may be deemed advisable. Whenever possible to compute the present value of future payments, the Commission may permit or require the payment of the amount thereof into the said fund, whereby that fund assumes the liability and the party originally liable is discharged.

ASSIGNMENTS, EXEMPTIONS AND PREFERENCES.—Claims for compensation may not be assigned or released. Compensation is exempt from all claims of creditors, and from levy, execution and attachment. Claim for compensation has the same preference or lien, without limit of amount, as a claim for unpaid wages for labor.

NOTICE OF CLAIM FOR COMPENSATION.—Written notice of accident must be served on employer and the Commission within ten days after disability or thirty days after death. Failure to do so bars claim, unless excused by the Commission. Compensation commences on the fifteenth day.

MEDICAL AND SURGICAL AID

Medical, surgical and hospital services, including crutches, etc., as required or requested by employee, must be furnished by employer for sixty days after injury; charges are subject to regulation by the Commission and limited to those that prevail in the same community for similar treatment for persons of like standard of living. The New Jersey law provides that medical hospital service be furnished for the first two weeks only, the total expense, however, not to exceed $50.00. Massachusetts provides for reasonable hospital and medical services during the first two weeks only. It might be well for me to state also that under the French accident compensation law the employee has the right to select his own physician, and what is known as "doctors' graft" has become a national scandal, it being said, in many instances, that the doctors pay to injured employees or labor organizations commissions on the amount of their fees.

COMPENSATION FOR TOTAL DISABILITY.—Sixty-six and two-thirds per cent. of the average weekly wage; maximum, $15.00; minimum, $5.00. If permanent, for life; if temporary, during disability, but not to exceed, in the aggregate, $3,500. Certain severe injuries presumed to constitute permanent disability.

PARTIAL PERMANENT DISABILITY.—Sixty-six and two-thirds per cent. of the weekly wage; maximum, $15.00; minimum, $5.00. In case of loss of hand, arm, feet, leg or eye, maximum, $20.00; minimum, $5.00. Payments for a period of weeks fixed by schedule.

It might be well, while on this subject of partial permanent disability, to give you a table showing the amount of compensation payable under the New York law for the loss of certain members, as compared with the amounts payable under the New Jersey and Connecticut laws:

	N. Y. Maximum	Conn. Maximum	N. J. Maximum
Thumb	$900	$380	$600
1st Finger	690	380	350
2d Finger	450	300	300
3d Finger	375	250	200
4th Finger	225	200	150
Great Toe	570	380	300
Other Toes	240	130	100
Hand	4,800	1,560	1,500
Arm	6,240	2,080	2,000
Foot	4,100	1,300	1,250
Leg	5,760	1,820	1,750
Eye	2,560	1,040	1,000

TEMPORARY PARTIAL DISABILITY.—Sixty-six and two-thirds per cent. of the loss of earning capacity; maximum, $15.00; minimum, $5.00; maximum limit, $3,500.00.

DEATH CLAIMS.—Thirty per cent. of weekly wage for widow only; 10 per cent. for children only, under the age of eighteen years. Maximum limits of $66⅔ per month, widow getting 30 per cent. for life. If remarried, two years' compensation in lump sum. For example, widow of twenty-five, living until sixty, $12,600; children two, four and six years, until eighteen, $5,040. Total, $17,640. (Wages in excess of $100 per month not considered.)

FEES AND LIENS

Claims for legal services and for services of physicians or hospitals are not enforceable unless approved by the Commission. The claim becomes a lien upon the award if approved, but is payable only in manner fixed by Commission.

SUBROGATION

If employee is injured by negligence of a third party not in same employ, he has option either to take compensation or sue such third party for damages. If he elects compensation he must assign claims for damages to party liable for compensation.

DEFINITIONS

"Hazardous Employment" means the work or occupation described in the forty-two groups.

"Employer" means individual partnership, corporation or association employing workmen in hazardous employments, but does not include a State or municipal corporation.

"Employee" is one engaged in hazardous employment by an employer conducting the same upon the premises or at the plant or in the course of his employment away from the plant of employer.

"Employment" includes employment only in a trade, business or occupation carried on by an employer for pecuniary gain.

SUITS FOR DAMAGES

If an employer has not secured payment of compensation, the injured workman has option either to recover compensation of the employer or to sue him for damages; and in such suit for damages the employer's common law defences are abrogated.

Digitized by Google

INSURANCE

It provides for three kinds of insurance: State insurance; insurance with any stock corporation or mutual association; or self-insurance, by furnishing the Commission with satisfactory proof of financial ability.

STOCK INSURANCE.—If insurance is effected in a casualty company or mutual association, the employer shall forthwith file, in form prescribed by the Commission, a notice, specifying the insurance corporation or mutual association, together with a copy of the contract.

STATE INSURANCE.—If he elects State insurance, he will be required to furnish on blank forms such information and data as the Commission may require.

SELF INSURANCE.—If he elects self insurance, he must furnish satisfactory proof to the Commission of financial ability, in which case the Commission, in its discretion, may require deposit, of the kind prescribed by the insurance law, in an amount to be determined by the Commission.

PENALTY

If any employer fails to secure compensation to his employees in one of the above ways, he shall be liable to a penalty for every day during which such failure continues of $1.00 for every employee.

POSTING OF NOTICE

Every employer, after electing his method of securing compensation, shall post and maintain in a conspicuous place or places about his plant, typewritten or printed notices, in form prescribed by the Commission, stating that he has complied with all the rules and regulations of the Commission and that he has secured the payment of compensation.

ASSOCIATIONS FOR ACCIDENT PREVENTION

Employers in any group may, with the approval of the Commission, form themselves into an association for accident prevention and make rules for that purpose. The Commission may, at its discretion, approve such rules, and when so approved by the Commission and the Industrial Board of the Labor Department, they shall be binding on all employers in the group. Every such association so approved may appoint an inspector or expert for the purpose of accident prevention, the expense of his services to be charged, at the discretion of the Commission, in the accounting of the particular group.

It might be well for us to consider some of the problems which we have to meet in the practical operations of the act, which in some cases no doubt will be partially solved by the rulings of the Commission, but in the last analysis must be determined by the courts.

It is quite a problem to determine, for instance, whether salesmen or employees in like capacity would be entitled to compensation if injured in another State. The Industrial Accident Commission of Massachusetts ruled that if the contracts of employment were made in Massachusetts, an injured employee, although the injury occurred outside of the State, was entitled to compensation. However, the Supreme Court of Massachusetts held to the contrary. The Commissions of Wisconsin and Michigan have ruled that the laws have no extra-territorial effect. In New Jersey the courts have held that the laws cover injuries even though the injuries occur outside of the State. The Industrial Accident Board of Ohio has ruled that accidents occurring outside of the State come under the law.

It is difficult to determine, in view of the wording of the law, whether employees engaged in clerical or administrative work come in under the law. It is the general opinion of experts that if the injured employee is exposed to the hazard of the business he will be entitled to compensation. As to whether an employee engaged in clerical or administrative work housed in an adjacent building or at some distance from the plant would be entitled to compensation is a matter of considerable difference of opinion. It is held by some that if in the course of his work he is exposed to the hazard of the industry, he is entitled to compensation; while others hold that in view of the fact that the law covers employees "in the course of their employment away from the plant of their employers" they would be entitled to compensation, even though the injury did not result from the hazards of the business. The Illinois Compensation Law specially provides that employees engaged in any work of a clerical or administrative nature who are not exposed to the inherent hazard of the employment are not entitled to compensation in the event of injury.

It is very difficult, for instance, in view of the wording of the classification of the individual groups, to determine whether or not a department store comes in part under the law. It is more than likely that in some industries only part of the enterprises will be subject to the law. If it be true that only part of the enterprise is subject to the law, then the question will also arise whether employees in the other departments, exposed to the hazards of the individual departments, which do come under the law, will be entitled to compensation in the event of injury.

If an employer should see fit to use his carriage or automobile for the purpose of his business (even though it be to a limited extent), if an accident occurred during the time the vehicle was being used for business purposes, it would be held without doubt that an injured driver would be entitled to compensation.

It was no doubt the purpose of the framers of the law to include all manufacturing industries where machinery of any kind was employed. It would seem fair to assume that the purpose of naming so-called hazardous employments and then as a matter of fact including in the list a considerable number of non-hazardous employments, the sponsors of the law had in mind the fact that the United States Supreme Court had not yet passed upon the constitutionality of any workmen's compensation law and that they might hold that there was justification for making an employer liable for industrial accidents regardless of fault in the hazardous industries.

It is for the employers of labor of this State to determine whether this law is to remain in its present form or whether an effort is to be made to modify its conditions and relieve the industries of the excessive and discriminating cost which it is believed by many will result.

Under the Massachusetts, New Jersey and Connecticut laws the scale of compensation is but 50 per cent. with a maximum of $10 weekly; under the English law the maximum weekly payment is $5.00 and the death limit is $1,500; death claims under the Massachusetts and New Jersey laws are limited to $3,000. Under the New York law the scale of compensation is 66⅔ per cent. with a maximum of $15.00 per week, except for the loss of hand, arm, foot, leg or eye, the maximum for any of which being $20.00 per week. In many cases the maximum liability under the law is many fold as great and may, in death cases, run tenfold as great, as provided in the law of most States.

Under the New York law an injured employee receives compensation even when the injury results from serious and wilful misconduct; medical and hospital services are paid for a period of two months; while in New Jersey, the maximum amount of medical services is limited to $50.00, and in Massachusetts to a period of two weeks.

The industries of Germany, in spite of their low wage scale, have been burdened under their insurance system, with a daily cost of $500,000 and an annual expense of $160,000,000. One in every sixty-three of its inhabitants are receiving a pension; that owing to the extension of the system by the enactment of what is known as the "Salaried Employees' Insurance Law" the estimated cost, for all classes of social insurance, for the year 1913, is in excess of $250,000,000; that the frequency of accident, in spite of improved methods in accident prevention, are on the increase; that malingering is prevalent; that Germany to-day maintains a reserve fund of approximately $450,000,000, which is but a small part of the amount which will be required to meet future payments.

In closing I would like to say that the more thought and study I give to this law, the more I consider how drastic its provisions are in comparison with the laws of other States; the more thought and study I give to the operation of the workmen's compensation laws of Germany and other countries, the more certain I am that unless our law is amended along the same lines, sooner or later it will become a serious menace to the welfare and prosperity of our State.

Virile Remarks on Profit-sharing Plans.

National Casualty Agents' Record.

We are reminded of another case of change of public sentiment. Recently Henry Ford startled the world with a statement that $10,000,000 would be distributed among his workmen annually under a profit-sharing contract. The laboring men of the Ford plant rejoiced, and the press of the country was loud in its praises of the great spirit of philanthropy, broad-minded progressiveness, fellow-man consideration, and all that line of talk. Change of public sentiment.

Nineteen years ago some insurance companies put in a profit-sharing plan with its workmen. It's true that the men didn't punch a time clock and work at benches, but they were working industriously just the same, and there was much more need of a profit-sharing plan, because of the fact that the men and the

Digitized by Google

business were scattered all over the United States, and any plan that would persuade them to do their best was proper. Careful selection of risks, proper rating of hazards, correct premium rates, investigation of all claims, prompt filing of complete proofs, and prompt settlements were their duties. But a bunch of inquisitorial examiners from various departments reported the finding of profit-sharing contracts, and condemned them to their chiefs as immoral, and the companies were scored for issuing such contracts. Considerable appeared in print regarding the heinous profit-sharing contract.

That was only a few years ago, and those contracts were for the purpose of safeguarding the business and dividing the profits. Precisely the Ford idea, but it required change of public sentiment before the real value of such plan could be appreciated. Reversion by insurance companies, however, would doubtless invite further harsh criticism. It all depends on how you look at it. Virtue and vice frequently travel together, and either may be mistaken for or made to look like the other. The profit-sharing contract in insurance will always carry an element of uncertain morals, depending on the agent, but even so, it is undoubtedly the best plan, and in the end would be productive of best results, especially for the public.

Profit-sharing plans will now be in vogue except for insurance. The ban having been placed upon them in that line will make it inadvisable to encounter further adverse criticism.

Lighting of Industrial Plants.*

From the Travelers' Standard

(Continued from January Supplement)

Much has been written in recent years to show the importance of good illumination in factories and workshops; and the bearing of the subject upon industrial accidents, upon the quality and quantity of the work turned out, and upon the health and disposition of the employees has been treated as fully as our present-day knowledge of the principles of illuminating engineering will permit. It is generally admitted that approximately twenty-five per cent. of the avoidable accidents are due directly or indirectly to poor illumination; that improved illumination means a sensible increase in production and an appreciable decrease in "seconds" and in spoilage; and that a well-lighted factory has a healthy and cheerful force of workmen. These facts should interest the factory owner or manager, for they are certainly matters of importance.

The truly competent manager of to-day is aware of the importance of good illumination, and one of the first things that he asks, when changes are under consideration, is what improvements of this kind are desirable, and how to go about making them. Here the manager is confronted by a problem that cannot be satisfactorily solved for him by what has been written, in a general way, regarding the lighting of factories in similar lines of manufacturing. Nor can the illuminating engineer give hard and fast rules for the lighting, let us say, of machine shops, with any assurance that these rules will fit all cases. Two shops may operate machines of the same kind, and manufacture practically identical products; and yet a lighting system that gives entire satisfaction in one of them may be wholly unsuited for the other one, on account of the buildings being of different types of construction. One shop, for example, may have a low ceiling, thus making it impracticable to install an efficient system of general illumination, and calling for a local-lighting system; while the other shop may have a high ceiling, so that a general-illumination system can be successfully used. In the first case the owner would have to buy four 25-watt lamps, at a list price of 35 cents each (making a total of $1.40), to light the same area that could be lighted equally well, in the second case, by a single 100-watt lamp at a cost of 80 cents. There would be an even greater disproportion in the cost of accessory material such as wiring, sockets, and reflectors. In addition, the question of the operating efficiency of the lamps must be considered, if the system is an incandescent one, because at a given charge for electrical energy the running expense depends largely upon the efficiency at which the lamps are operated.

The relation of the width of the building to its height is also an important factor. To illustrate this point, let us consider three buildings, having widths of 90 feet, 70 feet, and 50 feet, respectively, and all constructed so that the lighting units can be suspended 30 feet above the floor. The outlines of the three buildings are indicated, suggestively, in Fig. 1; and a glance at this diagram shows that a high-candle-power lighting unit, placed as indicated, would have a different illuminating efficiency in each building, so far as the direct lighting of the floor space is concerned; because a considerable quantity of the light that would be effective for floor illumination in the 90-foot building would impinge against the side walls of the narrower one. The light that proceeds directly to the part *BC* of the floor of the 90-foot building, for example, would strike the side wall of the 50-foot building at *AB*, and would therefore be lost, save for the fraction that might be reflected from the wall to the floor.

The foregoing are a few of the many things that must be considered in every lighting installation, and they all go to show that local conditions should govern the layout of the system. There is, in fact, a solid foundation for the oft-repeated statement that "every lighting installation is a distinct problem in itself." We believe, however, that the following brief notes with regard to certain special and widely different types of industrial buildings will be serviceable:

FOUNDRIES

Let us first consider a building used for foundry purposes. The nature of the work, and the conditions under which it is carried on in a foundry, place the lighting problem in a distinct class. At certain stages of the work, such as pouring time, the men are exposed to a dazzling, blinding radiation from the white-hot molten metal. Very often, too, lighting units of intense intrinsic brilliance and high candle-power are placed where they shine directly into the eyes of the men. Conditions such as these impair the vision of the worker, thereby reducing his efficiency as a producer, and increasing the opportunities for accidents. Another condition which seriously affects the lighting problem of a foundry is the fact that everything about the place—the floor, walls, supporting columns, ceiling, and materials worked on—are covered with a black dust that absorbs from 95 to 98 per cent. of the light that strikes it. This condition, so universal in foundries, calls for a relatively intense incident illumination, in order that the reflected light may be sufficient to enable the workman to clearly distinguish surfaces that meet in different planes, to see the finishes of the surfaces, and to assure himself of the thorough cleaning of the molds. The dust also forms a non-contrasting background, and so decreases the workmen's ability to distinguish objects readily. Finally, dense clouds of smoke, dust, and steam are present at times, and these call for a light of penetrating quality.

*Copyright 1913 by the Travelers insurance company. Used by permission.

LIABILITY COURT DECISIONS.

A Concise and Convenient Digest of Rulings of Courts of Last Resort in the Various States Affecting the Business of Liability Insurance.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

1. Injury to Minor—Unguarded Machinery—Employer Liable.
Where an inexperienced youth of fourteen years of age was employed in defendant's sawmill in the operation of a stave edger, consisting of a table 11 inches wide, upon which were two sets of saws, one each side, with a chain running between them, and the shield over the saws had been broken, rendering it a dangerous machine, and the plaintiff was without experience in running such machinery and was not warned of the danger, and in loosening some staves that had become caught he came in contact with the unguarded saws and was seriously injured, the employer was properly held liable for the injuries.

2. Same—Instructions to Jury—Harmless Error.
The refusal of instructions to the jury, which seemed to embody correct general propositions of law applicable to an experienced adult, but not applicable to an inexperienced youth of fourteen years, did not constitute harmful error.

3. Same—Contributory Negligence—Sufficiency of Pleading.
The plea of defendant, setting up that plaintiff was duly warned not to approach an uncovered saw in a machine that he was operating, and of the danger of so doing, and, notwithstanding he was sufficiently intelligent to understand and appreciate the danger of his disregarding the warning, unnecessarily and negligently approached so near the saws as to bring his clothes in contact therewith, causing injuries, is a plea of contributory negligence, and the burden is upon the defendant to establish it.

4. Same—Instructions to Jury—Harmless Error.
Instructions to the jury to ascertain the amount and value of the damage to plaintiff, based on the American Mortality Tables, is not harmful error, in the absence of any proof that the

Digitized by Google

ordinary expectancy of life of the plaintiff would be affected by the nature of his injuries, his habits, general health, or other circumstances.

Judgment for plaintiff in Circuit Court, Calhoun County, here affirmed in the Supreme Court of Florida.

GERMAN-AMERICAN LUMBER COMPANY vs. BARRETT,
63 Southern, 661. (November 11, 1913.)
Supreme Court of Florida.

1. Injury to a Minor—Contributory Negligence—Sufficiency of Pleading—Employer not Liable.

Where the petition alleged that at the time of the accident the plaintiff was nineteen years of age and in the employ of defendant as "an experienced apprentice," and had been employed by defendant for three years; that he became aware of the fact that one of the pulleys needed "babbitting" and so advised superintendent of defendant; that he was directed to place a ladder with spikes at the bottom on a floor covered with shavings to the depth of three feet, and ascend the ladder for the purpose of tying the belt; that the insecure and uncertain foothold of shavings for the ladder was known, or should have been known, to defendant, its officers, agents or employees, but that plaintiff did not know until after the accident that the belt was rotten, gummy and sticky; that in the act of throwing the belt off the pulley it adhered to his fingers and hands, and that the extra effort required to loosen his hands contributed to the turning of the ladder, and by reason of that turning his arm was drawn into the shafting and seriously injured; that the proximate and immediate cause of the accident and injury was the insecure and uncertain foothold of the shavings and the rotten and unsafe condition of the belting, the petition discloses no cause of action to recover the damages herein claimed, for the injuries for which the damages are claimed must be attributed to his fault and not to the fault of the defendant.

2. Same—Same—Contributory Negligence.

Even if plaintiff had not included himself among those who knew, or should have known, that a pile of shavings is an insecure foothold, we should feel bound to assume that a young man, nineteen years old, who had devoted three years to learning his trade, who describes himself as an "experienced apprentice," and is not shown to be lacking in intelligence, would know that much.

Judgment for defendant, Civil District Court, Parish of Orleans, here affirmed in Supreme Court of Louisiana.

INGERSOL vs. NATIONAL SASH & DOOR FACTORY,
63 Southern, 609. (December 1, 1913.)

1. Workmen's Compensation Act—Statute of Rhode Island—"Dependents"—Liability for Injuries.

Where it appeared that a minor employed by the defendant corporation received injuries resulting in his death; that at the time of the injuries his father and mother, with whom he lived, were both employed by defendant; that the father received $11.50 a week, the mother and deceased each $8 a week; that the deceased gave to his parents his pay each week and received board, lodging and clothing and $1 a week; that the father owned their residence with rental value of $10 a month, and the parents owned two other houses, subject to mortgage of $500, with rental value of $7 a month; that after the son's death the mother ceased working, and the father supported himself and wife and saved $3 or $4 a week, the father was not wholly or partly dependent for support upon the son's earnings and was only entitled to compensation under workmen's compensation act (Laws 1912, Chap. 831, Art. 2, Sec. 90), providing that if an employee dies as a result of injuries, leaving no dependents, the employer shall pay, in addition to any compensation provided for in the act, the reasonable expense of his last sickness and burial, not exceeding $200.

2. Same—Same—Same—Test of Dependency.

In a proceeding under the workmen's compensation act, the test of dependency is not whether the petitioner, by reducing his expenses below a standard suitable to his condition in life, could secure a subsistence for his family without the contributions of the deceased son, but whether such contributions were needed to provide the family with the ordinary necessaries of life suitable for persons in their class and position.

Decree of Superior Court, Kent County, here affirmed in Supreme Court of Rhode Island.

DAZY vs. APPONAUG CO.
89 Atlantic, 160. (January 2, 1914.)

1. Injury to Miner—Pleading and Practice—Sufficiency of Pleading.

Where the complaint, after averring the relation of employer and employee between the parties, alleged that plaintiff in the discharge of his employment was riding on a car in the entry of defendant's mine; that he was thrown therefrom and injured by a defect in the condition of the defendant's ways, works and machinery, or plant; that the superintendent of defendant was negligent in failing to warn him; that defendant was negligent in failing to provide him with a reasonably safe place in which to work, it was sufficient to withstand demurrer.

2. Same—Same—Same.

Where the complaint alleged that there was at said time and place a safe way for plaintiff to ride upon the car to his destination, and knowing of the safe way the plaintiff negligently elected to ride and did ride on the top of said car, which was dangerous, it was defective in failing to set out the safe way that was open to the plaintiff; but as subsequently amended to set out the safe or safer way, i.e., to ride on the bumpers between the cars, it was sufficient to withstand demurrer.

3. Same—Evidence—Opinion Evidence.

The question to the plaintiff as to who had superintendence of him under the rules of the defendant was not objectionable as mere conclusion, and there was no error in overruling the objection thereto.

Judgment for plaintiff in Circuit Court, Bibb County, here affirmed in Supreme Court of Alabama.

CHOCTAW COAL & MINING CO. vs. MOORE,
63 Southern, 558. (November 20, 1913.)

1. Workmen's Compensation Act—Statutes of Michigan—Findings of Fact Conclusive.

It appeared that on February 14, 1913, the deceased, a native of Poland, was in the employ of defendant, and while engaged in polishing a spring scroll, one end of the scroll caught on a belt of a machine, and swung around and struck him violently in the abdomen; that the doctors advised an immediate operation, but deceased refused, communication being through an interpreter; that following day doctors again advised an operation, and, after again refusing, the deceased gave consent and submitted to operation; that as result of operation pneumonia developed, which, together with peritonitis, caused death on February 19, 1913. Under the workmen's compensation act of Michigan (Public Acts 1912, Act No. 10, Part 3, Sec. 12), providing that the findings of fact made by the industrial accident board, acting within its powers, shall, in the absence of fraud, be conclusive, but the Supreme Court shall have power to review questions of law involved in any final determination of said industrial accident board, the refusal to be operated on when first requested and the further action of deceased in delaying consent to the operation until nearly noon on the day following the accident was not so unreasonable and persistent as to defeat the claim for compensation in this case, where it is not certain that an earlier operation would have saved his life, and it is not certain that the operation actually performed would not have resulted in his recovery, were it not for later developments. The award of $10 a week for 300 weeks was properly approved.

Finding for claimant by Arbitration Committee, affirmed by Industrial Accident Board, here affirmed by Supreme Court of Michigan.

JENDRUS vs. DETROIT STEEL PRODUCTS COMPANY,
144 Northwestern, 563. (December 20, 1913.)

1. Injury to Carpenter—Scope of Employment—Question for Jury.

Where it appeared that plaintiff was employed by the defendant and was engaged in laying boards on the roof of building in course of construction; that planks were supplied from pile some distance ahead of them; that between them and the pile of planks was constructed a temporary runway 30 feet in length and made of 12-foot planks loosely laid on the joists of the roof; that it was laid by a helper who was employed to carry the planks to the carpenters; that during the progress of the work the plaintiff went after a supply of planks, and after picking up several planks, started back, and in stepping from the pile onto the runway he lost his balance, stepped on end of plank projecting over joist, and fell to the cellar, sustaining severe injuries, it was clearly within the province of the jury to say that he was engaged in the line of his duty when he was injured.

2. Same—Answer to Special Interrogatory Immaterial.

If the answer to question in special verdict is immaterial, then inconsistency between the answer and the answer to another question is immaterial.

3. Same—Statutes of Wisconsin—Liability at Common Law.

Where there was no case made of liability under common law, for the common law rule required the master to furnish only a

Digitized by Google

"reasonably safe" place in which to work, and the jury would not be warranted in finding that the defendant had not furnished reasonably safe place to work, and the common law rule was not applicable to building operations where conditions were continually changing and where dangers arose from the acts of the employees themselves, the liability must be based on statutes of Wisconsin (Laws 1911, Chap. 485, Sec. 2394-71), requiring employers to furnish employees reasonably safe place to work and defining "safe" as "such freedom from danger to the life, health or safety of employees . . . as the nature of the employment will reasonably permit," which statute in terms imposes an absolute duty upon the employer to make the place of employment as free from danger as the nature of the employment will reasonably permit, and, in the absence of contributory negligence, the liability of the master follows as a matter of course if this duty is not performed and injury results to the employee because it is not performed.

4. Same—Assumption of Hazard—Statutes of Wisconsin.

The defense of assumption of hazard is not available to defendant to defeat recovery by the plaintiff, for under the statutes of Wisconsin (Laws 1911, Chap. 485, Sec. 2394-1) the defense of assumption of hazard was abolished.

Judgment for plaintiff in Circuit Court, Milwaukee County here affirmed in Supreme Court of Wisconsin.

ROSHOLT vs. WORDEN-ALLEN COMPANY
144 Northwestern, 650. (December 9, 1913.)

---

1. Injury to Woodman—Safe Place to Work—Liability of Employer.

Where deceased was sent to cut a large maple—22 inches in diameter and 90 feet in height—standing on a western slope, and leaning slightly toward the west, and was directed to notch the tree deeply on the west, and when it fell he was standing about 8 feet to the eastward and was killed by a large birch, standing 44 feet to the southwest, which was bent away from the deceased by the fall of the maple and broke on its recoil and was thrown against deceased, he had not been furnished with an unsafe place to work.

2. Same—Accident for which No One is to Blame.

The accident in question was so unusual and so extraordinary in its nature that no ordinarily careful man could be held to reasonably anticipate the result that followed. Although there was a defect on the west side of the birch tree where it broke, that was unknown to both the defendant and the deceased at the time the maple was cut, and aside from this defect, the deceased came to his death by reason of a pure accident for which no one was to blame.

Judgment for defendant in Circuit Court, Wood County, here affirmed in Supreme Court of Wisconsin.

DRELLA vs. CONNOR LAND & LUMBER COMPANY,
144 Northwestern, 976. (January 3, 1914.)

---

1. Injury from Fall from Trestle—Employers' Liability Act—Statutes of Oregon.

It appeared that in connection with its sawmill the defendant maintained a structure, known as slab haul, extending about 50 feet from the mill, equipped with system of dead rolls for conveying slabs to a fire for burning; that the staging supporting the slab haul was about 27 feet above the ground; that along the slab haul was erected a board walk and along part of it was maintained a guard rail; that plaintiff, while engaged in pushing and pulling slabs along the slab haul, fell from the walk at a point where there was no guard rail and was injured. Employers' Liability Act (Laws 1911, Chap. 3, L. O. L., p. xxxvi), which exerts its authority against "all owners . . . or persons whatsoever engaged . . . in the erection or operation of any machinery," in the first part of the section, and against "generally all owners, contractors or subcontractors, and other persons having charge of, or responsible for, any work involving a risk or danger to the employees or the public," is applicable to this case. The slab haul was "machinery" within the statute, "involving a risk or danger to the employees or to the public," and as the statute abolishes the defense of assumption of risk and contributory negligence, the plaintiff was entitled to recovery.

Judgment for plaintiff in Circuit Court, Lane County, here affirmed in Supreme Court of Oregon.

DUNN vs. ORCHARD LAND & TIMBER CO.,
136 Pacific, 872. (December 9, 1913.)

---

1. Workmen's Compensation Act—Statutes of Washington—Remedies Abolished.

Since the enactment of the workmen's compensation act (Laws 1911, Chap. 74), reciting that the common law system of dealing with actions by employees against employers for personal injuries is inconsistent with modern industrial conditions, and that the State declares its policy to withdraw all phases of the premises from private controversy regardless of questions of fault, "and to the exclusion of every other remedy, proceeding or compensation, except as otherwise provided in this act; and to that end all civil actions and civil causes of action for such personal injuries and all jurisdiction of the courts of the State over such causes are hereby abolished," and providing that each workman injured shall receive certain compensation, payment of which "shall be in lieu of any and all rights of action whatsoever against any person whomsoever," an employee could not sue for damages for injuries the president of the defendant corporation individually, all rights of actions against all persons whomsoever therefor being abolished by the statute.

2. Same—Same—Same—Construction of Statutes.

Remedial statutes, enacted to cure recognized evils, should be construed with regard to the former law and the evils to be remedied; and should be construed liberally to cure the evils sought to be remedied and to advance the remedy even by including therein cases without the letter, but within the reason of the statute.

3. Same—Same—Same—Titles and Subjects of Act.

Where the workmen's compensation act (Laws 1911, Chap. 74) was entitled an act relating to the compensation of injured workmen, "abolishing the doctrine of negligence as a ground for recovery of damages against employers," it would include within its title a provision abolishing the right of action of the employee to recover for negligence against all persons, including negligent officers of the employer corporation as well as against employers.

Judgment for defendant in Superior Court, King County, here affirmed in Supreme Court of Washington.

PEET vs. MILLS,
136 Pacific, 685. (November 28, 1913.)

---

1. Workmen's Compensation Act—Statutes of Washington—Construction of Statutes.

Under the workmen's compensation act of Washington (Laws 1911, Chap. 74), requires employers to pay to the State, to create an accident fund, a percentage of wages paid, such payments to be made in advance, based on past pay rolls, and to be adjusted at the end of each year on the basis of the actual payroll of that year, and provides that any shortage on such an adjustment shall be made good before February 1st, following, and that if any workman shall be injured while the employer is in default for any payment and after demand for the same, the employer shall not be entitled to the benefits of the act, but the workman shall have a right of action, and creates a commission empowered to make regulations for the administration of the act, where an employer was notified on February 28th of a shortage due on its adjustment, with a demand for payment within 30 days, and a workman was injured during that time, and before the payment was made, but it was afterward made during the time, the demand was presumably in accordance with the regulations of the commission, and did not become effective until the expiration of the 30 days, and on payment within that time the employer was entitled to the benefit of the act, and the injured workman could not maintain an action in the courts.

Demurrer to amended complaint here sustained in United States District Court, W. D., Washington, S. D.

BARRETT vs. GRAY'S HARBOR COMMERCIAL CO.
209 Federal, 95. (December 3, 1913.)

---

1. Injury to Minor—Violation of Statute by Employer—Statutes of Illinois—Constitutional Law.

Where it appeared that a lad, under the age of sixteen years, was employed as press hand to operate a punch press used in stamping sheet metal, and verdict in his favor was sustained in Supreme Court of Illinois, in action brought under statutes of Illinois (Laws 1903, Chap. 187), prohibiting the employment of children under the age of sixteen years in various hazardous occupations, including that in which the injury occurred, the statute, having reasonable relation to a purpose which the State was entitled to effect, is not open to constitutional objection as a deprivation of liberty or property without due process of law, in that employer was not permitted to defend the action upon the ground that it acted in good faith relying upon the representations made by the lad that he was over sixteen years of age.

Judgment of Supreme Court of Illinois, affirming judgment of Superior Court, Cook County, in favor of plaintiff, here affirmed in Supreme Court of the United States.

STURGES & BURN MANUFACTURING COMPANY vs. BEAUCHAMP,
34 Supreme Court Reporter, 60. (December 1, 1913.)

Digitized by Google

(*Continued from page 152*)

Age	Amount of Waived Premium	Net Insurance	Cash Value
65	$49.77	$950.23	$382.00
70	38.56	736.16	383.00
75	29.87	570.31	357.00
80	23.14	441.84	320.00
85	17.93	342.29	279.00
90	13.89	265.17	236.00
95	10.76	205.43	205.43

TWO PROPOSITIONS IN THE POLICY

Which is the better, waiver of premiums with reduction of the face of the policy or term extended insurance? The term extended insurance would not be available for a loan and could not be surrendered for cash. It will be absolutely at an end by the time the insured is seventy-five. How much insurance would he have at seventy-five if he takes the waiver of premium? According to the above table the man will have $570. The cash value would then be $357. At eighty years of age the insurance will be $442, and the cash value would be $320. No matter how long the insured lives, the deduction of the waived premiums could never wipe out the policy.

A man has $1,000 insurance with $50 of premium. Waiving twenty premiums is not going to eat up the whole of the policy. That man is going to have $340 of insurance twenty-one years after he becomes disabled, and some insurance as long as he lives.

A PROCESS OF EVOLUTION

The disability clause, as it appears in the policies of the New York Life, has been the result of a process of evolution. Many States, including New York, have statutes defining different kinds of insurance, and specifying what may, and what may not, be included in a policy of life insurance. At the very outset the question arose as to how far a company might go in combining disability benefits with life insurance contracts. New York State was satisfied to let the companies include the waiver of premium clause in its policies, and we could go no further than that in 1910. Massachusetts would not even allow the waiver of premium clause in a life insurance policy. Both States have amended their laws so that the companies' policies of life insurance may now include in event of disability not only the waiver of premium benefit, but also the payment of the sum insured by instalments.

AN EXPERIMENTAL STAGE

The New York Life has been cautiously feeling its way and acquiring experience, not only as to the number and nature of the cases occurring, but in its methods of dealing with them when they do occur. It has come to be quite generally understood among the agents, and through them among the insured, that the disability benefits do not apply unless the nature of the disability is such that the insured "is and will be presumably thereby permanently and continuously prevented from engaging in any occupation whatsoever for remuneration or profit." The words just quoted from the policy have a formidable sound, but this provision is necessary to protect the company against unjust claims. The clause is not intended to cover ordinary cases of broken legs or arms, or of severe illnesses which usually run their course in a comparatively short time, like typhoid fever, pneumonia, etc.

REGARDING THE COMPANY'S EXPERIENCE

One year ago twenty-six cases in all had been approved; we now have sixty-two. Perhaps a few examples of the kind of cases already approved may be of interest. In course of time I have no doubt there will be many more diseases included than experience has developed so far.

Tuberculosis is still responsible for the greatest number of cases; one year ago 17 cases, representing 65 per cent. of the total number, had been approved; we now have 26 cases, representing 42 per cent. of the total. Next comes insanity, just as it did a year ago, but the percentage of the total has risen from 15 per cent. to 23 per cent.; then follow 5 cases of paralysis and 3 of accident. Tumor, rheumatism, goitre, abscess of lung, pellagra, sclerosis, neurasthenia, spinal disease, cerebral hemorrhage, and blindness account for the rest of the cases. Some cases of disability have been due to the very accidents which are specifically mentioned in our policies. To the casual thinker it would appear that the loss of the sight of both eyes, by accident, or severance of both hands or both feet, or of one hand and one foot, would seldom occur, but the fact is we have already had cases of this kind.

HOW CASES ARE DECIDED AT THE HOME OFFICE

In the special cases of accidents enumerated in the policy there is no question of permanency of the disability; they are just as easy to settle as a death claim. The only thing to be determined is the nature of the injury resulting from the accident. But many cases of disability arising from other accidents, and from disease, are more difficult of solution. Therefore we have a committee at the home office which passes upon every case where a claim is made under the disability benefit. This committee consists of an executive officer, who is chairman of the committee, a medical director, an actuary, a general counsel, and the superintendent of the division of policy claims. The committee, therefore, represents practically every branch at the home office having to do with the issuance or settlement of policies. Each case is carefully considered by each member of the committee, who places his opinion on the papers. It is then considered by the committee as a whole. The intention of the company in carefully scrutinizing these cases is, of course, twofold: First, to bar out any fraudulent claims, and second, to allow every claim that can by liberal interpretation come within the provision of the policy. The committee takes the same point of view in its consideration of the disability claims which the company takes in regard to payment of death claims and in all of its dealings with its policyholders.

The address closes with the recital of some actual instances of how, at slight expense, the "waiver of premiums" benefit saved the insurance for the beneficiaries.

The Complex System at London Lloyd's Made More Complex by Changes in the Guarantee Forms Covering Fire and Miscellaneous Insurance.

The Manchester, England, *Policyholder,* commenting on an article in the London *Times* outlining changes in the forms of guarantees to be made for the underwriters of fire and "all-sorts" of insurance at London Lloyd's, says:

The article—obviously inspired—announced that a new scheme has been introduced, and that in the course of time it should add to the security provided for the due fulfilment of their obligations by Lloyd's. We are bound to say that in our opinion the change now suggested does not go far enough, however. So far as we can gather from the article, the present system, including the objectionable practice of not disclosing to the public the extent and character of the fire and accident business effected or the resources of the members, is to continue. In the future, however, the premiums paid for guarantees are to be paid into a trust fund, to be held by the committee, instead of being paid as at present to another underwriter. It is hoped that in time the new arrangement will develop into a factor of considerable importance, but meanwhile the arrangement is regarded more as a convenience to the underwriters than a safeguard for the policyholders.

The *Times* article leaves important points very much in doubt, however. For example, we are told that premiums paid for guarantees in the past will in future be pooled and that this sum will be available if necessary for meeting any shortcomings that there may be, but should it fall short there will still be individual guarantees to fall back upon. Are guarantees, for which a consideration has been paid in the past, to continue and to be given for love in future?

Again, the article says that under the scheme the liability of the largest underwriter for a fellow-member is not to exceed the sum of £200 or £300, and then, in the same paragraph, it gives an example showing a loss of £310. Obviously all the facts of the case are not disclosed. Also it is assumed that the gross income of Lloyd's is £8,000,000 and losses are to be calculated on a pro rata basis, and an example is given of the position of an underwriter, with a revenue of £50,000. But Lloyd's income, according to Parliamentary information, is £3,500,000 or thereabouts, and adopting the basis furnished instead of having to pay one one-hundred-and-sixtieth of the loss the underwriter would be liable for one-seventieth—or £700.

Again, it is stated that an underwriter with an income of £10,000 would only be called upon to meet one eight-hundredth part of the loss in the event of the failure of another underwriter, and this sum is stated to be £62. Apparently the defaulting underwriter is to be short of the sum of £49,600, but this essential factor is not stated.

The article and the examples given, like most of the information and statements coming from Lloyd's, leaves too much to the imagination and to doubt, and we can only say again that the proper, the simplest and by far the most straightforward and satisfactory course for Lloyd's to adopt would be to publish accounts. The Assurance Companies Act provided for this, making a special concession that a Lloyd's underwriter should

Digitized by Google

be called upon to deposit £2,000 only, whereas an ordinary company has to "table" £20,000. If they have nothing to hide from the searchlight of publicity, why do they not come into the open instead of adopting this complex system of guarantees, pools, audits and trusts?

Reciprocal Insurance in Massachusetts.

Insurance Commissioner Hardison has made the following report to the Massachusetts Legislature:

Under date of June 13, 1913, a resolution was adopted by the General Court of Massachusetts requesting the Insurance Commissioner to investigate the business now being done by reciprocal associations or inter-insurers, and to make a report to the General Court thereon. The resolution calls for information in the following particulars:

(1) The amount of insurance carried by reciprocal or inter-insurance exchanges on property located in Massachusetts.

It is practically impossible to obtain exact figures as to this amount, but from the best information I have obtained it is approximately $18,000,000.

(2) The length of time during which inter-insurance exchanges have been operating in Massachusetts.

The first inter-insurance exchange began its operations about 1881, and probably during the early period of its existence included among its subscribers individuals, firms and corporations of Massachusetts. All of the later exchanges of any considerable magnitude have included citizens of Massachusetts among their subscribers.

(3) The amount of premiums paid annually on property in Massachusetts.

The exchanges generally do not look upon the payments which they make to the attorney in fact which manages them as premiums, but rather as deposits to guarantee and facilitate the payment of any loss that may occur. At the end of the year the unearned portion is either returned to him in whole or in part, as in mutual fire companies, or credited to his account as his proportionate part of the guarantee fund. The total annual deposits on insurance in force in Massachusetts approximates $100,000.

(4) The financial responsibility of the exchanges having subscribers in Massachusetts.

The financial responsibility of inter-insurance exchanges is dependent upon the guarantee funds carried by the subscribers at the office of the exchanges and the contingent liability of the subscribers. Each subscriber is liable on each and every risk for an amount equal to his annual deposit. The assets back of the policies issued by an inter-insurance exchange are the guarantee fund accumulated, the annual deposits of the current year, a personal amount equal to the annual deposits for the current year, multiplied by the total number of subscribers. I have not the figures in dollars and cents to show the guarantee fund of the individual exchanges.

(5) Amount of taxation paid annually to the commonwealth by these exchanges.

No tax has been levied or collected on the deposits or premiums paid by the members of the exchanges. The credits to the members held by the exchange are probably taxed, the same as money deposited in a bank; that is, such funds are given in by the subscribers for taxation purposes.

(6) The amount which they pay for the maintenance of a Protective Department in Massachusetts.

No contribution is made to what is generally known in this commonwealth as the protective departments maintained by the fire insurance companies.

Respectfully yours.
FRANK H. HARDISON,
Insurance Commissioner.

Marine Insurance in 1913.

London Insurance Record.

Interesting and useful information as to the course of insurance business in the marine branch in 1913 was supplied at the 112th annual meeting of the Liverpool Underwriters' Association, held last week. Mr. James P. Rudolf, underwriter of the Standard Marine Insurance Company, Limited, observed, in moving the adoption of the report and accounts, that on the figures so far available the 1912 account, now that it had been finally closed, was reasonably satisfactory. The results, he said, showed an underwriting profit for 1912 of 7.8 per cent. of the premium income, which compared with 5.8 per cent. for the previous year.

As regards 1913, there is no black mark against it comparable to the "Titanic" disaster, which so grievously upset calculations in the previous year, but experiences, on the whole, were trying, a memorable event being the great storm on the American lakes in November, in which it was said that practically every vessel then afloat in the district was either sent to the bottom or driven ashore. The general figures, we learn, so far as concerned the important losses in which the Liverpool Underwriters' Association was interested, showed that the losses for the years 1912 and 1913 were approximately £7,000,000 in each case. While, however, the chief recorded losses were about the same for the two years, there was an exceptionally heavy stream of average claims, which would, in the aggregate, considerably exceed the claims incurred from the same cause in the previous year. "It must also be borne in mind," said Mr. Rudolf, "that although the figures for 1912 included one loss which in itself amounted to nearly two millions sterling, that claims had been equalled last year by smaller losses aggregating about that amount in the total." Average claims are, however, notoriously slow in coming in, and particularly when trade is good and owners are reluctant to lay by their vessels until absolutely compelled to do so, and the prospects of the year are probably not reflected in the actual settlements made by the association, which represent on the accounts referred to approximately 30 per cent, against a similar percentage on the previous year at the corresponding period.

In the course of his speech at the meeting of the Underwriters' Association Mr. Rudolf, ranging over many topics of discussion, dwelt upon the desirability of having some common law of the sea. The leaning, he said, seemed to be toward altering the law so far as to make it conform to the law of other nations. All new proposals, he urged, should be most carefully scrutinized, because the British mercantile marine holds a position pre-eminent in the world's mercantile fleets—nearly 45 per cent. of the total tonnage afloat—and the law relating thereto has not attained its present position except as the accumulated result of experience extending over a very long period. The old way of assessing collision liability by an equal division of damages, when both vessels are in a measure to blame, worked very well in the past and tended to avert litigation, but new laws have brought about difficulties and complications, and there are many persons concerned in the prosperity of marine insurance business who are by no means enamored of the rules and regulations existing. There are, however, steps being taken with a view to the amelioration of conditions which militate against the smooth and equitable transaction of marine insurance business, and in the near future, we believe, these improvements will be introduced, and those who are interested in the prosperity of marine insurance companies will be duly gratified.

Insurance Legislation.

Kentucky.

FRANKFORT, February 20.—House Bill 275, the objectionable Greene bill, has passed the House by vote of 65 to 25.

The House Committee on Compensation for Industrial Injuries has reported a substitute for the various workmen's compensation measures now pending. The substitute provides that for every injury producing temporary disability the injured shall be allowed 60 per cent. of his wages, not to exceed $12 a week, however, or if his wages are not in excess of $5 a week, he shall receive the full amount. For total disability he shall receive a similar compensation for not exceeding four hundred weeks.

Bills introduced:

Senate Bill —— (Committee on Immigration, Labor and Manufacturing), being a substitute for Senate Bill 11 (Knight). The substitute provides for a State Insurance Fund, and increases the death benefit from $3,750 to $4,000, and reduces the compensation for injuries from 66⅔ per cent. to 60 per cent.

House Bill 528 (Lay), to amend the life insurance law.

Senate Bill 317 (Zimmerman), to amend the life insurance law.

Senate Bill 318 (Scott), relating to the reinstatement of insurance companies withdrawing from the State. This is a bill aimed at fire insurance companies threatening to withdraw in the event of the enactment of the Glenn bill. It provides a penalty for withdrawal without the consent of the insurance commissioner.

It is stated that action on the Glenn bill has been at least temporarily postponed pending a conference to be held in New York on Friday.

Digitized by Google

Senate Bill 320 (Speer), to repeal the valued policy clause of fire and windstorm insurance laws.

Maryland.

ANNAPOLIS, February 20.—Bills introduced:

House Bill —— (Trippe), being a workmen's compensation bill drawn by Insurance Commissioner Shehan, which will be pushed as a substitute for the Hammond bill. It covers hazardous occupations, and creates industrial commission and authorizes an Accident Insurance Fund. Compensation is not allowed for the first fourteen days. Weekly compensation is graduated from forty to sixty per cent., according to the number of dependents. The Industrial Commission becomes active the first Monday in May, 1914, the members to be appointed by the Governor. The option of insuring either in a company, mutual association, or with an accident insurance fund is granted the employer, who may also carry his own risk upon proof of his ability to do so. Insurance payments must not be dependent upon the solvency of the employer.

Senate Bill —— (Maloy), relating to the formation of life insurance companies.

House Bill —— (Waters), for a workmen's compensation law. The bill was drawn by Senator Archer, and provides for elective compensation; for the abolishing of the fellow-servant and assumption of risk defenses; establishes the doctrine of comparative negligence for employees who refuse to elect the payment of compensation; reinstates the three defenses where employers refuse to elect; exempts farm laborers, casual employees, household servants, masters, and seamen from the provisions of the act; creates an industrial accident board; provides the options of self-insurance, stock insurance, or mutual insurance. The bill makes no provision for State insurance.

Senate Bill —— (Beck), permitting the insurance commissioner to value life insurance policies upon a higher basis of reserve.

House Bill —— (Altfeld), to authorize the establishment of co-operative annuity systems.

Senate Bill —— (Beck), providing for the publication of abstracts of the annual statements of insurance companies at the expense of the companies.

Mississippi.

JACKSON, February 20.—Bills introduced:

House Bill 613 (Covington), regulating contracts of surety between railroads and employees.

Senate Bill 372 (McLaurin), to prohibit ministers from serving as officers of or drawing salaries from fraternal orders. This is aimed at negro fraternals.

House Bill 667 (Rushing), to exempt the Mississippi insurance companies from taxation of capital and surplus, if loaned in Mississippi, at not over six per cent. interest.

House Bill 673 (Barry), provides for a bond of $20,000 to be filed with the State treasurer for the protection of policyholders by fire insurance companies, and bonds for $15,000 by miscellaneous companies, except life and fraternal.

Senate Bill —— (Roddie), provides for a $5,000 bond to be filed by all fraternal societies.

Another compulsory investment bill was introduced Thursday by Representative Carothers. It is said to be about the same as the Hobbs bill of two years ago, and that it is being backed by the Cotton States Life of Tupelo and the Gulf Coast Life of Gulfport.

New Jersey.

TRENTON, February 20.—Bills introduced:

Senate Bill 172 (Gaunt), exempting domestic servants and farm laborers from the provision of the employers' liability law.

Senate Bill 175 (Hutchinson), to amend the act regulating domestic mutual fire insurance companies, to exempt them from the provisions of Section 1, which deals with the granting of rebates.

New York.

ALBANY, February 20.—Bills introduced:

Senate Bill 541 (White), authorizing the State comptroller to readjust and resettle accounts for franchise taxes on insurance corporations for the years 1910 and 1911 where the corporation held New York State bonds bearing interest at not exceeding three per cent., on June 30, 1910 and 1911. The comptroller is authorized to credit the corporation upon its account for taxes for such years with one per cent. of the par value of the bonds, but not exceeding the amount of taxes due for these years.

Rhode Island.

Senate Bill 93 (Munroe), to repeal the section of the workmen's compensation law which provides that employers having less than five employees shall not come under the provisions of the law.

House Bill 190 (Hammill), to amend the law governing fraternal benefit societies.

South Carolina.

The Legislature may adjourn February 21st, which is the prescribed date for the end of the session.

The House on Wednesday adopted a concurrent resolution fixing the date for adjournment for Tuesday, February 24th. The Senate objected to immediate consideration of the resolution, indicating that adjournment will probably be delayed until late next week.

Texas.

AUSTIN, February 20.—An extra session of the Thirty-third Legislature is being talked of. In case it is called, bills will be introduced to repeal the "technical defense" law, which was designed to prevent fire insurance companies from avoiding liability under technical provisions of the policy. The repeal of the law prohibiting co-insurance is also contemplated. Senator Gibson strongly favors this legislation.

Virginia.

RICHMOND, February 20.—Bills introduced:

Senate Bill 334 (Massie), exempting premiums paid for reinsurance in authorized companies from the pension tax of 1¾ per cent.

Senate Bill 339 (Smith), providing for State insurance of public buildings.

Senate Bill 359 (Tavenner and Smith), amending the law as to the voiding of fire insurance policies.

No new bills can be introduced after February 20th, except by unanimous consent.

A commission is to be appointed to frame a new system of taxation, to report to the Legislature in special session next January. The present session will continue for three weeks longer.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

QUEEN

Ins. Co. of America.

NEW YORK.

GERMANIA
FIRE INSURANCE COMPANY
Organized 1859 NEW YORK
STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

Digitized by Google

COMMERCIAL UNION ASSURANCE CO.

LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.

65 JOHN STREET, NEW YORK.

CONTINENTAL

CASUALTY COMPANY — ASSURANCE COMPANY

H.G.B. Alexander, Pres.

General Offices

Chicago

INSURANCE

HEALTH AND ACCIDENT — LIFE

Illinois Surety Company

Home Office: 134 South La Salle Street

CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

***Trouble Proof** are the*

Policies

issued by the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON
General Agent
Metropolitan District
St. Paul Bldg., 227 Broadway
NEW YORK, N. Y.

That's why Agents have a minimum of trouble selling them

Now Then!

"Two of the Oldest and Strongest Fire Insurance Companies of France"

General Fire Assurance Company

OF PARIS, FRANCE

ESTABLISHED 1819

Urbaine Fire Insurance Company

OF PARIS, FRANCE

ESTABLISHED 1838

Agencies Desired in the Principal Cities and Towns

FRED. S. JAMES & CO.

UNITED STATES MANAGERS

NO. 123 WILLIAM STREET

NEW YORK CITY

FRED. S. JAMES — GEO. W. BLOSSOM

REPRESENT A WESTERN COMPANY

The Reserve Loan Life Insurance Co.

INDIANAPOLIS

OPERATES UNDER THE

COMPULSORY DEPOSIT LAW of Indiana

RELIABLE AGENTS WANTED

Address: W. K. BELLIS, Secretary

Do you know that

Security Mutual Life Insurance Company

BINGHAMTON, N. Y.

FREDRIC W. JENKINS, President

has GOOD THINGS to offer GOOD MEN. If not, learn about them by addressing for particulars

C. H. JACKSON, Supt. of Agencies

Digitized by Google

CHARTERED 1811

NEWARK FIRE
INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JAN. 1, 1914

Assets,	$2,009,892.00
Capital,	500,000.00
Surplus to Policy Holders,	1,108,033.00

EDGAR J. HAYNES, PRESIDENT
THOMAS L. FARQUHAR, SECRETARY

The Oldest Fire Insurance Company in New Jersey.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1914
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

10 SOUTH LA SALLE AT MADISON STREET

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.
BOSTON, MASS.

Arthur B. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,772,913.99
Surplus	2,332,697.30
Total January 1, 1913	$7,855,611.29

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX
ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President
The Manhattan Life Insurance Co.
66 Broadway, New York

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The Fifty-third Annual Statement of the Home Life Insurance Company, of which Geo. E. Ide is President, shows that most satisfactory progress has been made during the past year; that the gain in insurance in force is over five and one-half millions, the amount in force being now nearly $111,000,000. After providing for the various funds for the protection of the policy obligations, there remains upon a most conservative basis of valuation a surplus of nearly two millions, over and above the fund of two and one-half millions which is set apart for deferred dividends, an item ordinarily included in the surplus account. The payments to policyholders during the year amounted to nearly three millions, including over half a million dollars in dividends to policyholders.

"The Com'cl & Fin'cl Chron." 1-25-13.

For Agency Apply to

GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE — MARINE
RENT — INLAND
AUTOMOBILE
TOURIST — MOTORBOAT
LEASEHOLD — PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS — HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

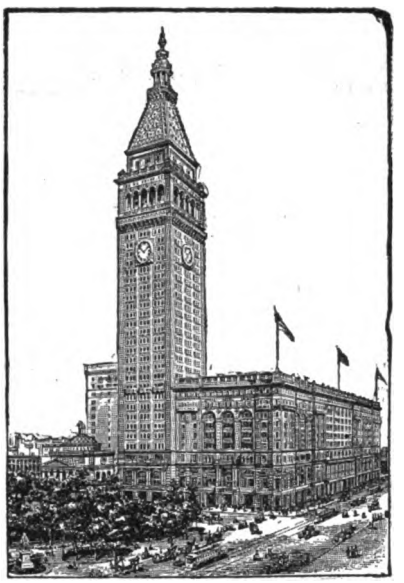
The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.	
Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interest, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.		
Dividends Apportioned, payable 1913, on Participating Policies, Intermediate Branch	$1,488,213.91	
Same on Participating Policies, Ordinary Dept. (Note—Nearly all this Company's Ordinary Policies are Non-Participating — issued at low rates of premium.)	205,847.72	
Bonuses Apportioned, payable 1913, on Industrial Policies	$6,334,191.08	
	$8,028,253.61	
Reinsurance Fund	396,744,033.00	
All other Liabilities	7,472,040.90	
Capital and Surplus	35,584,901.65	
Total		$447,829,229.16



Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street. New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

"CHEERFUL YESTERDAYS— CONFIDENT TO-MORROWS."

Our Field force is "Cheerful" over the yesterdays of 1913—both issues and deliveries were larger than in the phenomenal year 1912. Our field force is "Confident" in respect to the "To-morrows" in 1914. Already they have made a fine start, and they face the future fearlessly, filled with faith in their country, with pride in their business and with devotion to their Company. Occasionally we have an agency opening for a delivering producer.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST
SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
HAUGHTON, SMITH, STOKES & PACKARD, Resident Managers.....423 Walnut St., Philadelphia

Digitized by Google

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

Prudential Policies
sell and satisfy.

Agents Wanted.

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J
Incorporated as a Stock Company by the State of New Jersey.

20% MORE WEEKLY INDEMNITY
OR
50% LARGER DEATH INDEMNITY
AT
NO INCREASE IN PREMIUM RATE

Agents who solicit "PREFERRED" accident risks will be interested in our new policies.

The Preferred Accident Insurance Co. of N. Y.
KIMBALL C. ATWOOD, President
290-292 Broadway, New York

OUR direct contract system places the Company in absolute touch with the individual agent, consequently merit is recognized. Several good openings are available for men who have had experience in handling men and developing territory. Are you interested?

Pittsburgh Life & Trust Co.
Home Office, Pittsburgh, Pa.

W. C. BALDWIN, President
HOWARD S. SUTPHEN, Director of Agencies

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Digitized by Google

WE BOND

MORE PEOPLE THAN ANY OTHER COMPANY IN THE WORLD

Statement of Assets and Liabilities December 31, 1913

ASSETS		LIABILITIES	
Cash in Banks and Offices	$911,782 47	Unearned Premium Reserve	$1,870,101 50
*Government and other Bonds and Stocks (Insurance Departments' valuations.—See "Note")	5,256,151 96	Reserve for Contingent Claims and claim expense (less reinsurance)	1,326,288 36
Real Estate, Mortgage and Collateral Loans	232,847 56	Anticipated Taxes and Unpaid Commissions (not due)	163,466 14
Unpaid Premiums (excluding $288,513.58 ninety days overdue)	535,385 91	Accounts Payable (not due) and reinsurance premiums and other expense items	30,369 99
Accrued Interest	51,110 19	Quarterly Dividend Declared Payable Jan. 2, 1914	60,000 00
Due from Admitted Reinsuring Companies	20,612 18	Advanced Premiums and Return Premiums Due	38,618 37
†Due from U. S. Government, Counties and Municipalities	41,950 00	RESERVE FUND	170,139 69
†Due from Railroad Companies	41,950 00	CAPITAL STOCK	2,000,000 00
†Due from Excise Reinsurance Committee	15,798 05	SURPLUS	1,500,000 00
†Due from Suspended Banks	60,039 51		
	33,306 22		
Total	$7,158,984 05	Total	$7,158,984 05

In addition the company owns other assets conservatively worth over $100,000.00.

The premiums over 90 days due and other deferred premiums *not included above* are estimated to be worth $200,000. In computing such past due premiums, this company figures from the *effective* date and not from date of entry. If we followed the rule of taking "entry" date, our surplus could be increased approximately $70,000.

*The securities of this company are carried at the valuations fixed by the Insurance Departments of the States of New York, Massachusetts, Pennsylvania, Illinois and others.

†These items, while regarded good and collectible, are only partly authorized by law as investments.

Wm. B. Joyce, Esq., President, National Surety Co., 115 Broadway, New York City. January 24, 1914.

Dear Sir: I have examined the expenses of your Company for the year ending December 31, 1913, as shown by the Company's statement, and am pleased to report that there is every indication that the officers have kept all expenses at a minimum consistent with good management. Yours very truly, (Signed) ALANSON P. LATHROP, Committee on Expenses.

Wm. B. Joyce, Esq., President, National Surety Co., 115 Broadway, New York, N. Y. January 23, 1914.

Dear Sir: Your Committee appointed by the Board of Directors to examine into the securities of the Company has to report that the securities as recorded on the books of the company were examined and that the values of such securities as of December 31, 1913, were in accordance with the market valuation. Very truly yours, (Signed) FRANK B. KEECH, Committee on Securities.

Mr. Wm. B. Joyce, President, National Surety Co., 115 Broadway, New York January 23, 1914.

Dear Sir: Your Committee appointed by the Board of Directors to examine the claims of the Company has to report that in its opinion the Claim Reserves held by the Company are adequate, and that the method used in arriving at these reserves seems to your Committee to be based on sound business judgment. Yours very truly, (Signed) JOHN C. McCALL, Committee on Claims.

NATIONAL SURETY COMPANY, 115 Broadway, New York

"AMERICA'S LEADING SURETY COMPANY"

1863 THE 1914

FIREMAN'S FUND

INSURANCE COMPANY OF SAN FRANCISCO

BERNARD FAYMONVILLE, PRESIDENT

With the **LARGEST ASSETS**, the **LARGEST PREMIUM INCOME**, and the **LARGEST RESERVE** for the protection of outstanding policies in the history of the Company, with a **PAID-UP CAPITAL OF $1,500,000**, and with a **NET SURPLUS OF $2,251,245.30**, the Company enters the second half-century of its career with confidence inspired by the splendid loyalty and good-will of its agents and friends, and with hopes for future success justified by past achievement.

The following essential features of the Annual Statement, made according to the California standard as of December 31, 1913, are presented with satisfaction:

ASSETS	$9,864,871 84	**RESERVE FUND**	$5,118,514 90
LIABILITIES	7,613,626 54	**SURPLUS FUND**	2,251,245 30
PREMIUM INCOME	7,462,946 51	**PAID-UP CAPITAL**	1,500,000 00

Policyholders' Surplus, $3,751,245.30

EASTERN DEPARTMENT

A. K. SIMSON, Manager — **J. W. LITTLE, Assistant Manager**

Mason Building, Boston, Massachusetts

FIELD REPRESENTATIVES

New England

A. M. WOOD, General Agent

HENDERSON KELLOGG, Special Agent

New York State

CHARLES E. DOSSER, State Agent

L. LESTER WEBSTER, Special Agent

MIDDLE DEPARTMENT

JOHN Y. SHEEHY, Special Agent

MARTIN J. MULLIN, Special Agent

AUTOMOBILE DEPARTMENT

J. R. BEARDSLEY, Special Agent

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, FEBRUARY 28, 1914. No. 9.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

COL. JAMES F. YOUNG, the insurance commissioner from North Carolina, not only believes in the promulgation of good literature on insurance matters, but he works at it. Some time ago he established a weekly bulletin service for the benefit of the newspaper editors of his State, by means of which he sends out interesting news on fire prevention and general insurance topics all ready for editorial use—in "cereal" form, so to speak. By courtesy, these have also been sent to the insurance press of the country. This week there arrived a little device which shows that Col. Young has a high sense of the value of suggestion as an incentive to action. It was a serviceable copyhook, attached to a cardboard back, on which was printed:

News Bulletin, North Carolina Insurance Department. Use this file for the Bulletins. These Bulletins are sent out weekly. You can hardly find space for all they contain each week. Hang them on this file and clip from them as you need copy. The matter is selected and valuable and will not get stale. Much of it can be made the basis of editorials or other articles. Your aid and suggestions will be appreciated.

Even the nail upon which to hang it was there, and if any editor in North Carolina did not at once drive up that nail, hang up the copyhook, spear the bulletin on it and say to himself or the office force that "that there Col. Young sure knows how to run a bulletin service," he was lacking in appreciation or was living in a high-class building, where nails are not allowed.

THE mid-winter meetings of the Detroit Conference, the National Mutual Union and the new American Association of Accident Underwriters have been in session in the West this week, and many important topics have been discussed. Renewed emphasis has been placed, in all three, on the value of insurance education. In the last-mentioned meeting a number of addresses were made on the subject and a public meeting was held, at which the discussion was continued. Insurance Commissioner Willard Done, of Utah, who has made many addresses on this subject and who has prepared a text-book in accordance with his ideas, gave a carefully prepared paper, of which we reproduce a part elsewhere in this issue. He made the point that insurance has long been misrepresented in the public press, but that it is time that the rising generation be trained in understanding and friendliness. He outlined a very complete plan, which he summarized as follows:

There is need of insurance education. It must be popularized. The child must be taught insurance, in order that the man may know how best to insure. Enlightenment must be our protection against malice and ignorance. The movement for insurance education should be fostered by insurance commissioners, insurance journals, and insurance men, and your own splendid organization may well take a leading part. And the result we may confidently expect is enlightened public sentiment, reduced burdens, satisfied policyholders, friendly supervision, effective conservation, and the co-operative effort by which all good is accomplished and every right established.

Whether it is done according to the ideas of the life insurance men as represented by the vigorous Mr. Horner, of Minneapolis, or whether a general bureau is established, which all classes of insurance companies will support by fixed percentages as they now maintain rating and other bureaus, the trend of thought seems to be toward a general education on insurance. The time for beginning cannot come too quickly.

OUR readers will find in this week's paper a synopsis of the text of the annual report of the New York State Department of Insurance for the current year, with extracts also therefrom. The Superintendent comments on the business in its present salient points, which are: The features of the new workmen's compensation law; the several questions of cost in liability insurance; the settlement of the rate-making problem in fire insurance to the satisfaction both of the public and the underwriters, and the growing disposition to transfer to government the transaction of certain lines of business. Mr. Emmet, it need hardly be repeated, is well disposed toward the new workmen's compensation legislation in this State, and approves of the recent action of the State insurance department in so regulating liability insurance expenses that the liability business is now being conducted on sounder lines than before. Upon the wider questions of fire underwriting the Superintendent is quite as conclusive. His conservatism is demonstrated anew—whatever may be thought of his final judgment as to the propriety of giving the State power to determine the equitableness of rates. His position—in brief—is, that in order to avoid a State-made fire insurance which the public in its misunderstanding of conditions may exact, the Insurance Department or a like body, must be given the authority to decide upon the reasonableness of rates, which, however, the companies must be allowed to make in combination, as heretofore. That the Insurance Department—or its equivalent as to rating—shall be competent to judge of the correctness of rates, it will need the information which will come from a combination of the experience of the companies by such a method as is now tentatively being considered by the National Board of Fire Underwriters. When this knowledge is

Digitized by Google

acquired by the supervisory body, the safety of the companies as to rates is assured, while the public will be satisfied. Under Mr. Emmet's plan, therefore—which is accepted by many of the leading State insurance commissioners—the companies will continue to make the rates subject to reasonable State oversight. This, it is claimed, will dissipate public discontent and bring about perfectly harmonious relations between the insurers and the insured. From the point of view of the underwriter, it might be said that the plan will be workable if the supervisory body is always as fair and sensible as Superintendent Emmet. Can that be made certain? Regarding the possibility of the State taking the business of fire insurance to itself, the opinion of the Superintendent is expressed in these pertinent words:

The one effective weapon that the companies have in their possession is the ability to give such efficient service that State activity will be uncalled for. For most people will agree that the State should not undertake anything which can be acceptably done by private enterprise; that is, the burden of proof lies with the State to show some abuse which requires its entrance into the field. As it seems to me now, the great insurance interests of the country which have played so helpful a part in the nation's life must, if they are to survive under the new dispensation, demonstrate that they are able to conduct their business so acceptably, so efficiently and so thoroughly in the interests of the public as to make State Insurance unnecessary. That is my candid view of the situation at the present time. There must be a complete harmonization of the private interests of the companies with the interests of the public. The business of insurance in private hands must look for its own private advantage to arise only out of the general advantage of the public it exists to serve.

Fire Insurance.

The Kentucky situation is settled. The Senate on Thursday adopted the Glenn bill, after amending it so as to reduce the tax upon the companies from $100,000 to $50,000 annually for the maintenance of the rating bureau and provide for the appointment of a legislative commission of three to make a complete investigation of the fire insurance business and report to the next Legislature. The amendment also provides for the consideration of the appointment of a hydraulic engineer and electrical expert with a view to reducing fire hazards and improving fire protection. Other amendments empower the State Rating Board to order a general reduction wherever it is shown that rates are too high; require the rerating of risks in certain cases, and exempt Kentucky mutuals from the provisions of the law. The House will accede to the amendments at once. It is now expected that the companies will take such action as they indidivually see fit. Some, it is understood, will withdraw from the State immediately. The bill introduced to punish companies so withdrawing is regarded as bosh. Others will continue in the State with restrictions as to underwriting and others will do only a very limited business. The companies have made their best fight against this inimical legislation, declining to compromise, and have, they believe, lost with honor. No "bluffing" has been resorted to. "Kentucky has chosen deliberately to test its ability to manage fire insurance," said an underwriter, "and it will acquire its experience sooner or later." The law will become effective ninety days after the adjournment of the Legislature.

The **fire insurance premiums** collected **in** the city of **New York** last year aggregated $23,836,854, as compared with $24,884,653 collected during 1912 showing a decrease of over one million dollars. These figures as made up by the *Journal of Commerce* from reports issued by the New York Board of Fire Underwriters and the Fire Insurance Salvage Corps of Brooklyn, and embrace the premiums on risks in the territory protected by the Fire Patrol in Manhattan and the Bronx and by the Salvage Corps in Brooklyn. The detailed figures of the premiums collected during the last six months of 1913 have just been issued and afford the following comparisons:

MANHATTAN AND THE BRONX.

	1913	1912
First six months	$11,115,880	$11,302,069
Last six months	8,031,412	8,415,816
Total for year	$19,147,292	$19,717,885
BROOKLYN.		
First six months	$2,635,809	$2,748,775
Last six months	2,053,753	2,417,993
Total for year	$4,689,562	$5,166,768
ENTIRE CITY.		
Total for year	$23,836,854	$24,884,653

The appended clipping from a Hartford paper will make **interesting reading** for the champions of the forsaking of insurance by the companies in favor of a State fund for the insurance of public buildings. Hartford has just lost its splendid union railroad station by fire. The railroad company which owned it had an "insurance fund." It would not contribute "great sums of money uselessly" to the companies. How efficient that fund may prove is thus commented upon:

While visions of splendid new stations, etc., are floating in the journalistic air, it may not come amiss to call attenion to the fact that for the last quarter for which a report has been made, interest charges and taxes were $180,000 in excess of earnings. This is hardly a showing to inspire confidence of early rehabilitation of the Hartford station in the form that our citizens would like to see.

It is barely possible, too, that the insurance fund, concerning which something has been said already, may consist solely in what are known as "paper" assets. We learn from good authority that the trustees of this fund have been accustomed to make investments in New Haven securities, which no doubt have shrunk along with other issues. At any rate, it would appear that the company is in very straitened circumstances, even though it has an insurance fund, so called.

The following **request** has been sent by Insurance Superintendent Emmet **to the fire insurance companies** doing business in New York State:

DEAR SIR—Your company is requested to file with this department not later than April 1, 1914, the minimum annual and term rates adopted by your company for private dwellings, private barns, summer dwellings and apartment houses in force on April 1, 1914, in the villages, cities and counties of New York State.

If any of the above risks are rated by other than minimum class rates, you are requested to file the rules or methods adopted by your company in arriving at such (other than minimum) rates.

You are also requested to file with the above minimum and schedule rates the forms and endorsements upon which each rate is predicated.

You are further requested to file with this department all subsequent changes in rates on the above classes of risks.

If your company is a member of a rate-making association operating in New York State whose rates and forms are rigidly adhered to by your company, a statement to that effect will be accepted in lieu of the filing of the rates and forms above requested.

Respectfully yours,

[Signed] WILLIAM T. EMMET,
Superintendent.

A meeting of the **committee on field practice of the National Fire Protection Association** has been called to be held in the board room of the New York Board of Fire Underwriters on March 5th and 6th, at which time the text-book and manual for the use of inspectors will be considered. This book has been in course of preparation for a year, and it is hoped to publish it in the near future. A number of experts in addition to those on the committee will be invited to assist at the meeing. The committee has for its chairman Charles H. Patton, manager of the Cleveland Inspection Bureau, and the other members are as follows: Albert Blauvelt, Chicago; H. E. Burdette, Hartford; H. W. Forster, Philadelphia; W. H. Merrill, Chicago; H. P. Smith, Hartford; P. D. C. Steward, Philadelphia; W. H. Ticknor, San

Digitized by Google

Francisco; R. O. Dawson, Boston; Benjamin Richards, Underwriters' Bureau of New England; Milton F. Jones, New England Bureau of United Inspection.

Officers were elected as follows by the directors of the **Massachusetts Fire and Marine** of Boston at the meeting last week: Everett C. Benton, president; James J. Storrow, Walter B. Henderson and Guy A. Ham, vice-presidents, the latter being also general counsel; Walter Adlard, secretary and managing underwriter; Frank R. Buxton, treasurer; John J. Downey, assistant secretary and general agent; J. R. Benton, assistant secretary. Mr. Ham, the new vice-president, is a leading attorney who had much to do with the organization of the company and has been its general counsel from the start. John J. Downey, the new assistant secretary, has as general agent been active in building up the company's agency plant, while Frank R. Buxton, the new treasurer, is a banker of prominence, and J. R. Benton, assistant secretary, a promising young attorney, who has given special attention to fire insurance matters.

Some of the charges on the rating schedule of the New York Fire Insurance Exchange are hard to explain, but if the interested insurance men will take the time to visit the sixth floor of the non-fireproof "sweat shop" building at the corner of Liberty and Stone avenues they may see for themselves that the various **charges are based on experience.** The fire there on Saturday night shows the total collapse of the unprotected iron columns and girders, while some of the wood floor beams remained intact, and one of the brick piers with a stone cap shows the cap stone almost entirely eliminated (clearly demonstrating the effect of the fire and water). This latter charge in schedule is one that most assureds call "ridiculous and without reason."

To merely say to the agent that he has the money in his pocket to pay the premium is **not a sufficient tender** to an agent to bind a company to pay a loss under the Tennessee laws, according to a decision just rendered by the Tennessee Supreme Court. An attempt was made to collect on a policy which had lapsed for non-payment of a premium note, which note the agent had attempted to collect, but was met with the information that the money had been sent to the home office. When the fire occurred the insured attempted to collect, basing his case on an alleged tender of premium, but the court held that no evidence was present of a refusal to accept on the part of the agent and that this was fatal to the success of the case.

The **West Virginia Fire Underwriters' Association** at its annual meeting at Charleston elected S. S. Minninger, of the Queen, president; William Lohmeyer, vice-president, and A. S. Whiteley, secretary, and the executive committee as follows: W. C. Poe, Jr., of the Royal, chairman; J. T. Kirkwood, of the Philadelphia Underwriters; R. H. Cooper, of the Hartford Fire; F. M. Bleuit, of the Security of New Haven; F. I. Mosier, of the Home of New York; M. A. Tozier, of the Fidelity-Phenix; W. C. Perry, of the American Central, and J. H. Clinton, of the Liverpool and London and Globe.

At the meeting of the **local chapter of the National Fire Protection Association** on Wednesday evening the committee on organization reported articles of association, which were discussed in detail and adopted. They were forwarded to the executive committee of the association for approval, and upon their return the local chapter will proceed with the election of officers, etc. The first annual meeting was decided upon for Monday evening, April 13th, the place of meeting to be announced later. The committees on membership and on plan and scope also reported.

The **Michigan anti-annex order** has created a great amount of discussion in fire insurance circles. Commissioner Winship has expanded its coverage to include all other classes of insurance, which will preclude Michigan life insurance agents from enlisting the assistance of home office representatives in the closing of difficult cases. It is quite likely that if the ruling is insisted upon the courts will be called upon to make a judicial determination of the power of the insurance commissioner to oust underwriters' agencies and others affected by the ruling from Michigan.

The March meeting of the **Barebones Alumni Association** will be held next Tuesday evening preceded by a dinner at the Old Dutch Tavern, 23 John Street, at 6.15 o'clock. Two speakers have been secured. One is Nelson D. Sterling, superintendent of the plate glass department of the Fidelity and Casualty, who will speak on "Plate Glass Adjustments," and the other is E. G. Bogart, superintendent of the burglary insurance department of the Globe Indemnity, who will discuss "Burglary Insurance Adjustments." A record-breaking attendance is expected.

The directors of the **American of Newark** on Thursday made the following changes among the officials of the company: C. Weston Bailey promoted from secretary to vice-president; Frederick Hoadley promoted from assistant secretary to secretary; A. C. Cyphers promoted from assistant treasurer to treasurer; R. C. Vanderhoof promoted to assistant secretary from cashier. P. L. Hoadley and C. E. Sheldon were continued as president and vice-president, and also James W. Shirley as superintendent of agencies, southern department.

The **London Assurance Corporation** announces the appointment of Clifford B. Dye, now with the German-American, as State agent for Ohio, succeeding Clark F. Hinman, who resigned to take another position. Mr. Dye will have headquarters at Columbus. The Michigan and Indiana field, which has previously been cared for by H. W. Crowell, of Detroit, will now be divided, and Mr. Crowell will retain charge of Michigan, while Indiana will be placed in charge of G. M. Wise, now with the Sterling Fire of Indianapolis.

It being impossible to reply individually to the many letters of congratulations and commendation for the semi-centennial memorial volume recently issued, the **New York Underwriters Agency** has mailed a printed acknowledgment accompanied by a clever cartoon contributed by a Kansas agent depicting the company as a gallant knight riding to rescue Miss Public from captivity in the Castle of Fire Loss, at the gate of which the demon Incendiarism and the giant Carelessness stand guard.

Additional features of value are to be found in the 1914 edition of the **Standard Fire Tables,** just issued from the press of the Standard Publishing Co., of Boston. The book has always been a valuable one to underwriters and fire insurance men generally, and the present edition shows the statistics of the fire insurance companies for ten years with accuracy. There are also a list of underwriting agencies, a table of comparative rank, the underwriting profit and loss experience and a digest of State laws.

The Hartford *Times* gives the following interesting account of a **feature of the fire** which destroyed the Auditorium, a landmark, on Thursday noon:

> For a long time the smoke which belched forth from the engines fairly blackened the air all about so that the sun was completely hidden from view and the crowds began to question the desirability of witnessing a fire under such disagreeable circumstances, but as time wore on the smoke from the engines whitened and the view of the fire became unobstructed.

Digitized by Google

The Pennsylvania legislative **fire insurance** investigation, which has now enlightened its members for a period of nearly a month, has enabled them to acquire a **wisdom** which suggests that unless the regular companies can be forced to write insurance much cheaper than now it may be necessary to recommend in the commission's report that the State itself enter the business for the relief of its citizens from oppression. The commission has yet many things to learn by investigation and otherwise.

The proper makeup of the governing board of the **reorganized Allegheny County Board** is occupying the attention of the local agents there. It was proposed that the agents shall represent the signing companies, but objection is made that some Pittsburgh local agents would thereby be entitled to a large number of votes on every question on account of representing many companies. Agents outside of Pittsburgh are insisting upon a representation on the governing board.

A Jefferson City., Mo., news dispatch says that **non-resident agents** of fire insurance companies can no longer write policies on property **in Missouri,** according to a ruling announced Thursday by Charles G. Revelle, State Superintendent of Insurance. The ruling resulted from complaints filed with the State Insurance Department against the activity of agents in Illinois in placing insurance about Missouri and especially in Kansas City.

The grand jury at Decatur, Ill., has found an **indictment against Insurance Superintendent** Potts of Illinois for "conspiracy" growing out of the recent examination of the Assureds' National Mutual Fire of that city. The examination showed that the company was impaired, and the Superintendent applied for a receiver, and this incurred the hostility of local partisans of the concern.

The sixtieth anniversary of the foundation of the **Louisville Board of Fire Underwriters** was duly celebrated February 14th by fifty-five members. Not one of the original members survives, but the oldest membership is that of Thomas C. Timberlake, secretary of the Salvage Corps. The celebration was one of festivity and music, and the Hon. Young E. Allison was ringmaster.

The first fire insurance company to be licensed under the new "blue sky" law of Tennessee is **The Merchants' National Fire,** of Chicago, governed by a board of trustees headed by George H. Bresee as chairman, which has been authorized by the Secretary of State for the purpose of selling stock. The company is to have a capital stock of $1,000,000 and a surplus of $1,500,000.

The right of a board to limit the representation of a company has been raised in the **injunction proceedings** started against the Milwaukee Board of Fire Underwriters to restrain it from the enforcement of its recent ruling in this respect, and it is hoped that a dependable legal decision may result. The question has been one to vex underwriters in many places.

The matter of **advanced fire prevention methods in Boston** was discussed at a legislative committee hearing on Wednesday with greater forcefulness than ever before. A convincing array of figures and facts was presented by the supporters of the measures now before the committee, and it is expected that a suitable bill will be reported to the House.

The National Fire of Hartford, which has acquired the control of the stock of the **Forest City Fire of Rockford, Ill.,** will continue the business. The Illinois company began business in 1874, and has always been among the foremost in the State. It had assets on January 1st of $784,000 and a surplus to policyholders of $440,000.

The first of the 1914 charts to appear was the Fire Insurance Pocket Index for 1914, issued by the Spectator Company last Friday. A copy of the edition, which is the forty-sixth annual, has been received and is herewith acknowledged. It contains a wonderful amount of information, handily arranged.

A series of eight **lectures on fire insurance** is being given at the University of California weekly, the first one by Herbert Folger on February 17th. The subjects progress from an introductory lecture on the relation of fire insurance to the community, etc., to loss adjustments.

The Texas State Fire Insurance Commission has announced that it will hereafter, in addition to the other work now being done, **conduct an improved risk department** for the purpose of making detailed inspections and reports of sprinklered risks and larger special hazards.

The **committee** for the revision of the charter of the New York Board of Fire Underwriters **organized** on Thursday by electing Thomas A. Ralston chairman. The other members are E. E. Pearce, J. A. Kelsey, John H. Kelley, George W. Babb and Cecil F. Shallcross.

The joint large cities committee has begun work on the **readjustment at St. Louis** in accord with the plan of expense reduction. The St. Louis agents, in spite of their record for rate cutting, are asking for more liberal terms than the Chicago plan provides.

The **Pittsburgh local chapter** of the National Fire Protection Association has elected the following **officers:** President, Charles S. Hubbard, director of the Department of Public Safety; vice-president, W. H. Coster; secretary-treasurer, Frank H. Guthrie.

The **New Jersey State Association of Fire Underwriters** has elected the following officers: President, William M. Dickinson, Trenton; vice-president, S. Merchant Meeker, Elizabeth; secretary and treasurer, Fred. J. Cox, Perth Amboy.

Agents in Chicago who have been sending in remittances figured on the old basis have been **formally notified** that the joint large cities committee has put the new legislation in effect in Chicago as of January 1st.

The **Sun Underwriters** of the Sun Insurance Office has been licensed to transact business in Mississippi. This company was entered by James B. Ross, manager of the New Orleans Underwriters' Agency.

The **Fire Insurance Society of New York** has secured Vice-President David Rumsey, of the Continental, as its speaker for the spring dinner meeting on March 24th. The subject will be announced later.

The Louisiana State **fire marshal is investigating** the recent distillery fire in New Orleans, and will question the watchman at the plant with great care.

The **Berkshire Mutual Fire** of Pittsfield, Mass., has been admitted to transact business in Maine.

Digitized by Google

Life Insurance.

The twenty-eighth annual meeting and dinner of the **Life Underwriters Association of New York** was held on Tuesday evening in the Hotel Astor. It was the largest annual meeting in the history of the association, 238 enthusiastic life insurance men being present. President E. W. Allen had charge of the business meeting and also presided at the dinner. His "swan song," as he termed it, was characteristic, but by no means signified his demise as an active and earnest worker for the association. The speakers at the dinner were Royal S. Goldsbury, who gave an energetic address on the advantages and influences of associations of life underwriters. He is president of the Pittsburgh association, which is engaged in a struggle with the Chicago association to remain at the head of the list of associations as to membership. It is now promised that the New York association will eclipse both before the end of next year. President William W. McClench, of the Massachusetts Mutual Life, spoke on the co-operation by the home offices, and was warmly received. He promised all the aid his company can give in the work being done by the association. A stirring talk on the New York police situation was given by Hon. James C. Cropsey, district attorney of Kings County. The last speaker was Edward D. Duffield, general counsel of the Prudential, who talked on the laws relating to rebating and twisting. His address was characteristically forceful. The new president, Julian S. Myrick, promised his best endeavor as the head of the association for the coming year. The music committee, headed by Perez F. Huff, presented a new slogan for the association, which was sung heartily several times, and promises to become popular. The officers for the coming year, elected unanimously, were as follows: President, Julian S. Myrick; first vice-president, Wm. H. Ryan; second vice-president, R. M. Simons; third vice-president, John S. Tunmore; secretary-treasurer, Wm. F. Atkinson; executive committee, Lawrence Priddy, chairman; Frederick H. Rhodes, Alfred Siebert, Perez F. Huff, R. K. Stowe, Samuel S. Voshell.

At a special meeting of the directors of the **Fidelity Mutual Life** of Philadelphia on February 24th, Vice-President **Walter Le Mar Talbot** was elected to the presidency, filling the vacancy caused by the death on January 16th of L. G. Fouse, founder of the company and for thirty-five years its president. **F. X. Quinn,** treasurer, was elected vice-president and treasurer, and several minor changes were made in the official staff. Mr. Talbot entered the service of the Fidelity in January, 1882, at the age of eleven. He has grown up with the company, is thoroughly conversant with its interests, and by dint of hard work and assiduous attention to self-improvement he has won his way to the topmost rung of the ladder. The presidency of a thirty-million-dollar corporation with $135,000,000 of business on its books is a goal well worth striving for. Mr. Quinn also has devoted the best years of his life to the company's service. On January 2, 1891, he accepted a position as secretary to the treasurer of the Fidelity, was promoted to the office of assistant secretary in 1896, and in 1907 was elected treasurer and a member of the board of directors. For a number of years Mr. Quinn has been in full charge of the company's large investment interests.

Action for the removal of Henry Pyle as president of the **National Life Association** of Des Moines, Ia., was begun there on Monday last by the Attorney-General of the State. The charge is made that the association's business has been conducted fraudulently and that the State regulations have not been followed and that the members have suffered. It is claimed that unless the management is changed there will not be sufficient funds to carry out contracts with members. The State charges that the general expense fund has been greatly overdrawn and that the mortuary losses have increased more rapidly than the funds to care for them as the result of money being diverted to private accounts of the defendant and members of his family. The National Life Association, an assessment concern, began business in 1900. It operates in twenty-nine States, and, according to its officials, has $35,000,000 worth of policies in force. The State's petition charges that Pyle increased his own salary and fraudulently issued two policies on the life of his mother for the sum of $5,000, and at her death collected the insurance. Pyle denies the accusations and asks for a suspension of public opinion.

The declaration by directors of the New York Railways Company Thursday of payment of 2.345 per cent. on the adjustment income bonds was followed by the announcement of the formation of a **committee to investigate** this interest payment, consisting of Darwin P. Kingsley, president of the New York Life; William A. Day, president of the Equitable Life, and Haley Fiske, vice-president of the Metropolitan Life. It is the purpose of this committee to have the courts interpret the terms of the indenture securing the bonds, which representatives of the bondholders say should pay a larger interest. Yesterday's declaration made the total payment for 1913 equal to 3.981 per cent. on each $1,000 bond. The insurance companies mentioned own more than $2,000,000 of the adjustment income bonds. The basis of their claim will be that 5 per cent. should have been paid last year. The contention of the bondholders is that the indenture provides that the New York Railways' unexpended reserve for personal injuries for any six months shall be automatically returned to income and shall be applicable to interest on the bonds. The company claims this would be against its policy.

"A feature in latter-day life insurance developments," says the London *Insurance Journal*, "is the **steadily increasing demand for annuities.** The offices doing this class of business in the United Kingdom reported during the last year that a sum of about four millions sterling had been received by them as consideration for immediate annuities, the amount showing a large advance upon the corresponding figures of any previous year. Some of these institutions are Colonial and American companies, but by far the greater proportion of the total reported undoubtedly referred to annuities on the lives of inhabitants of this country. In addition, there was no doubt a large amount invested for similar purposes with the National Debt Office or the Post Office. Part of the increase in the amount thus invested is to be attributed to the efforts of the life offices themselves, which have found annuity business more attractive, owing to the increased yield of interest which they have been able to obtain on their funds. But the main cause is that the demand for such contracts among the general public has become greater."

In the course of an address to the members of the Insurance Institute of Hartford on Wednesday Richard H. Cole, assistant secretary and actuary of the Connecticut General Life, discussed the subject of **non-forfeiture provisions** of life insurance contracts at some length. In conclusion he expressed the following opinion:

> While heartily in accord with every provision which will thoroughly protect the insured, and while favoring the utmost liberality in extended term and paid-up options consistent with safety, it appears to me that some companies are overstepping themselves in their endeavors to pay out cash, and that in this respect there is a tendency to offer excessive inducements to withdraw on the slightest pretext.

An official bulletin of the Minnesota Insurance Department says: "Numerous complaints have been received by this depart-

Digitized by Google

ment in regard to rebates, but it has been found **extremely difficult to secure evidence** upon which convictions might be obtained. As a general rule the persons making complaint only do so with the understanding that their names will not be disclosed. This is an unfortunate situation. The anti-rebate law was enacted primarily for the protection of the agent, and unless the co-operation of insurance agents can be had in securing the enforcement of the law, it will remain a dead letter."

The **Chicago Life Underwriters' Association** has elected the following officers for the ensuing year: President, Edward A. Ferguson, Union Central Life; vice-president, J. F. Johantgen, New York Life; secretary, B. C. Howes, Union Mutual Life; treasurer, Hervey S. Dale, Union Mutual Life; executive committee, P. J. Kraus, Metropolitan; A. V. Weil, Fidelity Mutual; Joseph Loebe, Berkshire; F. H. Merrill, Mutual Life of New York, and H. E. Tank, Travelers. Thirty new members were elected, bringing the membership up to 378 and making the association the largest in the country.

The Equitable Life **will bring suit** in the State courts against the Union Pacific to restrain it from distributing its $82,000,000 Baltimore Ohio stocks and the cash payment proposed in the extra dividend to holders of its common stock. The Equitable will bring the suit as the holder of $1,618,000 of Union Pacific preferred. It is also a heavy holder of Union Pacific bonds, of which it owns about $14,000,000. It is understood that the action is in the nature of a friendly test of the rights of the preferred stockholders in the proposed distribution.

As a result of the protests at the recent annual meeting of the New World Life of Spokane the **general agency contract** with the Columbia Underwriters' Company has been **abrogated.** The Underwriters had charge of the sale of stock and also a general insurance agency for a number of States, with a perpetual renewal of 10 per cent. It alleges damages of $60,000 for abrogation of contract, while the company is willing to pay $35,000. John E. Finney, of Chicago, who represented the company in the East, has gone into other business.

A letter has been written to the New York *Times* by **President E. E. Rittenhouse,** of the Life Extension Institute, in which **he commends** the activity of Vincent Astor, who has been appointed chairman of a committee of the Civic Federation for the study of sanitary and hygienic food control. Mr. Rittenhouse says that this promises a public service of the very first importance. He takes the position that it is of little avail to make provisions for producing pure food if it is to be contaminated during the course of its preparation.

The first number of *Plico,* the company paper of the Philadelphia Life, under the management of **Major Marmaduke B. Bowden,** appeared this week, and is a lively sheet, such as Major Bowden has been in the habit of producing for other companies in years gone by. The paper is but one means at Major Bowden's command, since he is to be manager of the company's entire publicity department, which means a good deal.

Some salient facts regarding the **1913 record of the Franklin Life,** of Springfield, Ill., are tersely told in our advertising columns this week. President Henry Abels is modest, notwithstanding his success, and he refrains from much that he might add to the record of the company, but what he does say makes an impression not easily forgotten. The Franklin is well managed and is a credit to its State.

The **litigation** between the South Carolina Insurance Department and the Mutual Life growing out of the matter of cash surrender values has been **settled** out of court, and the suit to oust the company from the State will be withdrawn. A final hearing on the matter will be held on March 10th.

The annual meeting of the **agents of the Mutual Benefit Life** in **South Carolina** was held this week at Columbia. A. A. Drew, superintendent of agencies, and William Winton, assistant superintendent of agencies, and "Uncle Jerry" Cobb, all of the home office, were among those present.

Several prominent general agents of life insurance companies are preparing **to contest the ruling** of the internal revenue department that renewal life insurance commissions are taxable under the income tax law. Hon. A. I. Vorys has prepared an opinion opposing the ruling.

The mid-year meeting of the executive committee of the **National Association of Life Underwriters** will be held at the Hotel Astor on Tuesday, April 21st, when matters relating to the Cincinnati meeting and the institutional advertising campaign will be discussed.

Casualty Insurance—Surety Bonding.

The first court involving the **constitutionality of the Texas workmen's compensation law** has been handed down by Judge McCullough of the Nineteenth District Court, in which he validates the law. In his opinion Judge McCullough says:

> This principle has been approved by our highest courts and is in common practice in many States. In some jurisdictions a tax is levied on the owners of dogs to create a fund to pay for the destruction of sheep; in others a fee is collected from saloonkeepers to support an asylum for inebriates. We collect a percentage from banks to make a guaranty fund. Some cities collect a percentage from insurance agents to care for sick and disabled firemen. We must not overlook the cogent economic and sociological arguments which are urged in support of this statute. It is based upon the proposition that inherent risks of an employment should in justice, be placed upon the shoulders of the employer, who can protect himself against loss by insurance and by such an addition to the price of his wares as to cast the burden ultimately upon the consumer; that indemnity to an injured employe should be as much a charge upon the business as the cost of replacing or repairing disabled or defective machinery, appliances or tools; that under our present system the loss falls immediately upon the employe, who is almost invariably unable to bear it, and ultimately upon the community, which is taxed for the support of the indigent; and that our present system is uncertain, unscientific and wasteful, and fosters a spirit of antagonism between the employer and employe which it is to the interest of the State to remove. While this statute is a new departure in our State, I do not find that it contravenes either our Federal or State Constitution.

A warning has been issued from the **Iowa** insurance department that **physicians' defense insurance** contracts cannot be written in that State. Chief Clerk Byrkit, of the insurance department, says that numerous companies outside the State are furnishing this contract by mail. He continues:

> Many of these companies are not authorized by license to sell insurance in this State, but make use of the mails to induce doctors to purchase their so-called indemnity by contracts. "The proposition is held to be insurance in this State, and section 1747 of the Code of Iowa makes it an offense punishable by fine and imprisonment for representatives of unauthorized insurance concerns found in our State violating this provision. This may also include the party who takes out the insurance as well as the concern furnishing the insurance. The statute provides that the punishment is applicable to anyone who 'solicits insurance with said company or association.'" Although this latter provision has never been passed upon by the Iowa courts the reading seems plain. Contracts insuring physicians against their own acts of carelessness or malpractice have never met the approval of the Insurance Department. This approval is necessary before insurance can be sold in Iowa, and two or three past Attorney-Generals have registered their opinions in conformity with this position.

Digitized by Google

The fourth annual dinner of the **American Institute of Steam Boiler Inspectors** took place last Saturday, February 21, at the Fifth Avenue Restaurant. Visitors and members from the entire eastern section of the country attended this dinner, which was made a distinguished occasion by the installation of officers for the ensuing year. These were as follows: President, John Y. Gillespie, assistant chief inspector, Royal Indemnity; secretary, J. H. Pollard, Fidelity and Casualty; treasurer, L. A. Turnbull, chief inspector of boilers, Globe Indemnity. Owing to business the vice-president, R. A. Thompson, of the Travelers, and the chairman of the executive committee, J. A. Kinkead, of the Parksburg Iron Company, were unable to be present. The Boston Institute was represented by Messrs. Young and Glougherty and the new Buffalo Institute was represented by A. T. Brown.

The **workmen's compensation law of Illinois** has been held to be **constitutional** by the Illinois Supreme Court. In asking for a ruling on the law attorneys for the appellant made the following claims: That the law is not a proper exercise of the police power; that it is class legislation; that it delegates judicial powers and vests judicial executive powers; that it deprives the appellant of the right of trial by jury, and that it deprives the appellant of right to contract and his natural right of waiver. In affirming judgment of the lower courts on the law the Supreme Court held that it was a misapprehension that the 1911 act deprives employees of common law remedies, and that the other objections urged could be answered by stating that the act was elective and not compulsory.

Three sets of **mutuals in process of organization** in New York State to furnish employers' liability and workmen's compensation insurance for members. Senator Foley is understood to be back of an organization to covering building contractors and others engaged in construction work. William H. Hotchkiss is busy with an organization covering the lumber and woodworking interests of the State. The clothing and other interests engaged in the needle trades are interested in still another proposed organization which is being promoted by the secretary of one of the associations. S. H. Wolf the actuary has been retained to furnish a brief on cost for the last-named proposition.

The American Bonding Company is **accused by Insurance Commissioner Potts** of Illinois of having made a reinsurance agreement without submitting the agreement for his approval. The matter came up on a claim for which it is alleged no report had been made in the annual statement of assets and liabilities of either the American Bonding Company or the reinsuring company.

The **National Mutual Union** held its semi-annual meeting at Milwaukee this week, preceding the meeting of the Detroit Conference. One of the subjects discussed was the payment of benefits to policyholders injured by automobiles. It was proposed to reduce the benefits to such policyholders by fifty per cent. Suggestions for an increased premium were also considered.

The New York Court of Appeals, Judge Werner writing the decision, has held that the Maryland Casualty **Company is liable** for $6,000 in a case where the company advised its insured not to settle a certain claim for $1,500. The jury gave a verdict for $6,000 and the company was sued for the extra $4,500 above the face of the policy, resulting as above stated.

The **United States Casualty** in July, 1906, sent a check to Julia L. Butterfield, at Utica, N. Y., in payment for an elevator accident. She acknowledged receipt of the check and endorsed it, but did not deposit it. Subsequently she died, and this week the check came through the bank bearing the additional endorsement of the administrator.

The second annual meeting of the **New York State Casualty and Surety Underwriters' Association,** which is the new name for the New York State Liability Underwriters' Association, was held in Syracuse this week. Agents were present from all parts of the State and brokerage and other problems were discussed.

"Workmen's Compensation" was the subject of a **talk by S. H. Wolfe,** of this city, recently before the Board of Trade of Toronto, Ontario. Over 250 members listened to the talk with much interest in view of the pending legislation in Ontario relating to a workmen's compensation law for that province.

The **first settlement** under the new workmen's compensation law of Connecticut was made last week by Commissioner Chandler. The case was that of a boy killed in Massachusetts territory, and the matter was adjusted by agreement without bringing up the question of extra-territorial jurisdiction.

A payment of forty per cent. of the claims against the late **Metropolitan Surety Company** was made this week by John F. Yawger, receiver. After some pending litigation has been decided Receiver Yawger expects to make another payment, which will probably wind up the affairs of the concern.

In a decision of the United States Supreme Court reversing the ruling of the New York Circuit Court of Appeals, it is held that the **Federal employers' liability law supersedes** the State statutes in matters affecting interstate business. The case was that of a boy killed by a railroad train.

The **Texas Fidelity and Bonding** has elected the following officers: President, Sam Sanger; vice-president, W. H. McCullough; vice-president and general attorney, H. P. Jordan; vice-president and treasurer, F. B. Wortman; secretary, Dan Wise.

The **Factory Mutual Insurance Company of America** is the ambitious title of a company seeking incorporation in the Rhode Island Legislature.

The **Railway Mail Association** of Portsmouth, N. H., has been authorized to write fraternal accident insurance in South Dakota.

Personal.

AGENCY APPOINTMENTS

Aachen and Munich: J. M. Clark will temporarily cover Illinois and Indiana.

Eagle Fire of Newark: Edward T. Jenkins, agent for Brooklyn, Eastern District; John W. Robertson, general agent and attorney for the State of Illinois.

Fidelity-Phenix: A. C. McDavid of Dallas, special agent for South Texas, with headquarters at San Antonio.

Hanover Fire of New York: J. L. Wright, special agent for Northern Georgia with headquarters at Atlanta.

Home of New York: E. G. White of York, Neb., special agent for Nebraska.

Maryland Casualty: Russell & Fairfield, general agents for the metropolitan district of Boston, to succeed Rothery, Emery & Perkins.

New Amsterdam Casualty: R. S. Hoffman & Co. agents for Boston and metropolitan district.

Prussian National: Harry G. Fowler, state agent for Ohio.

Royal of Liverpool: George P. Street, special agent for Mississippi. Bernard F. Camp, special agent for Georgia, Alabama and Florida, with headquarters at Atlanta.

Westchester: Mark Banta, special agent in Wisconsin.

Digitized by Google

Mr. J. Bertschmann, agent of the Switzerland General, of Zurich, for over forty years, has just retired and his son, Louis Bertschmann, and Joseph H. Maloy, both well known in the marine insurance business for many years, have been appointed his successors and will continue the business under the firm name of Bertschmann & Maloy.

Mr. Dexter H. Walker died February 25th at his home in Jamaica, Long Island, in his 79th year. He was originally the adjuster of the Mercantile Marine Insurance Company and subsequently founded the firm of Walker & Holden, which later became Walker & Hughes. He retired about sixteen years ago.

Mr. Henry S. Tiffany, a Chicago publisher of insurance books and blanks for nearly forty years, died in that city February 13th, aged 69 years. He organized the publishing house in 1874. He was a life member of the Fire Underwriters Association of the Northwest.

Mr. F. J. Shanahan, who has been with L. E. Yeager & Co., of Chicago, for ten years, has been appointed special agent in Cook County for the Hanover and Norwich Union, taking effect March 1st. He succeeds Richard Boegelsack, resigned.

Mr. E. D. Livingston, superintendent of the bonding department of the Royal Indemnity, was operated upon for appendicitis last week at the Johns Hopkins Hospital, Baltimore. He is reported to be progressing satisfactorily.

Mr. F. E. Kneeland, for the last three years manager of the reinsurance department of the National Surety, has resigned as of March 1st, to enter the employ of the American Fidelity at its New York office.

Mr. W. J. Kean has resigned as secretary and manager of the Home Casualty Company, of Omaha, and is succeeded by F. B. Aldredge. Edwin E. Martin continues as president.

Manager Frank Lock of the Atlas of London will appear before the Fire Insurance Club of Chicago on March 24th as a lecturer on the methods of the fire insurance business.

Mr. Harry J. Dooley, special agent of the Employers Liability in Pennsylvania, New Jersey and Delaware, will be transferred to the head office of the company on March 1st.

Mr. F. I. Crisfield, general adjuster of the Liverpool and London and Globe, sails to-day for South America and Trinidad on a business trip, expecting to return in May.

Mr. Henry G. Fowler, special agent for the Prussian National and the Netherlands Fire in Missouri, Kansas and Oklahoma, has been made State agent for Ohio.

Mr. Oscar L. Ross has been elected secretary of the Sterling Fire of Indianapolis, succeeding the late Cyrus W. Neal. He has been assistant secretary.

Mr. Carl Koch, for many years an examiner in the Western Department of the Germania Fire, at Chicago, has been made second assistant manager.

Mr. William F. Chevalier has resigned as general agent of the Connecticut Mutual Life at Kansas City, and is succeeded by Roscoe F. Warren.

Mr. Charles G. Revelle, superintendent of insurance in Missouri, is expected shortly to announce his candidacy for United States Senator.

General Manager Thiselton, of the London Guarantee and Accident, has returned to London after a stay of several weeks in this country.

Mr. John B. Knox, secretary of the Phœnix of Hartford, has been elected vice-president of the Equitable Fire and Marine of Boston.

Mr. Henry A. Fiske, of Henry W. Brown & Co., sails for Bermuda to-day for a few weeks' vacation.

Official Reports.

New York Insurance Report.

The fifty-eighth annual report of the New York State Insurance Department was filed at Albany on Monday of this week by Superintendent William Temple Emmet. The report presents the usual tables of figures, but it also takes up for discussion some of the larger insurance problems with respect to which Superintendent Emmet is of the opinion that legislation must be enacted sooner or later. Instead of making definite recommendations, however, he proposes the topics for public discussion in order that "members of the legislature and the public generally may be helped toward an appreciation of the present-day conditions in the insurance field." Few departmental measures are likely to be presented this year on account of the many changes made last year at the request of the department. A summary of the report which has been prepared says:

The three questions which Mr. Emmet discusses at length are: (1) Workmen's compensation in the light of last year's legislation on this subject; (2) casualty company conditions with particular reference to the adequacy of rates, the maintenance of proper reserves, and the reduction of acquisition expenses; and (3) fire insurance rate-making and the part which the State should play in that connection. In the concluding pages of the report is an interesting forecast of what the future relations of the State will be toward the business of insurance generally. "Owing to the increased social consciousness of the times, and to the fact that insurance, because of its fiduciary character, is possessed of a peculiarly strong public quality," Mr. Emmet evidently anticipates continued agitation in the direction of State insurance. After outlining what has already occurred in that field, he says:

"The situation is one of absorbing interest. Practically within the last decade we have seen business in two attitudes: First, that of aggressive organization and combination in its own interests, but with the public interest subordinate, if not even antagonized; secondly, we have gone through a period in which the public has asserted its rights, often in an unintelligent way and with much resulting confusion, but with a perfectly evident intention to make business the servant and not the master. We are now, it is to be hoped, at the end of this destructive period and about to enter upon the third, the constructive period, in which the real ethical solution shall appear in a harmony of the interests of the server and the served, in which there shall be neither aggression nor undue restraint, but in which the interest of the public shall be clearly seen to be in every large sense not only a necessary condition for the prosperity of business, but inevitably bringing prosperity in its train.

"But if the people cannot get what they require through private service, they will be quick to resort to the State, that the State may supply in its collective capacity a service which has been imperfectly performed by its members. This has happened recently in the field of compensation insurance, the express business and elsewhere in a minor degree, and it can be confidently predicted that this remedy will be invoked increasingly as time goes on. The one effective weapon that the companies have in their possession is the ability to give such efficient service that State activity will be uncalled for. For most people will agree that the State should not undertake anything which can be acceptably done by private enterprise; that is, the burden of proof lies with the State to show some abuse which requires its entrance into the field.

As it seems to me now, the great insurance interests of the country which have played so helpful a part in the nation's life must, if they are to survive under the new dispensation, demonstrate that they are able to conduct their business so acceptably, so efficiently and so thoroughly in the interests of the public as to make State insurance unnecessary. That is my candid view of the situation at the present time. There must be a complete harmonization of the private interests of the companies with the interests of the public. The business of insurance in private hands must look for its own private advantage to arise only out of the general advantage of the public it exists to serve."

With regard to the new compensation law, the Superintendent commences his review of this legislation with the statement that "to all who have been interested in seeing the industrial life of our State freed from the archaic and barbarous employers' liability conditions heretofore existing here, it must have been a source of real gratification that a measure so truly admirable in some respects as our new compensation law is should have at last been written upon our statute books." He points out several particulars in which he thinks the law may require amendment, and at the same time calls attention to certain features of the plan which, in his opinion, are desirable and advantageous from every point of view and which entitle the Legislature of 1913 to the greatest possible credit for passing a workmen's compensation law as nearly satisfactory to the different interests as this law is. On this point Mr. Emmet says:

"It may not be absolutely ideal, but it represents a long step in that direction. That is all that can be expected in the beginning, at any rate, of any compensation bill which could possibly have been passed; and Governor Glynn, who was much more influential than any other man in securing the adoption of this great reform measure—which in perfected form will do more than any law which has ever been passed in New York to promote industrial peace and contentment within our borders—is entitled to receive the thanks of every employer and workingman in the State for the great service he has rendered them."

Mr. Emmet calls attention, however, to the necessity of banishing politics, "using the word in a sense other than Aristotelian," from the administration of the new law, if it is to accomplish all the good that it is hoped will result from it.

That something has been accomplished but that much remains to be accomplished, in the matter of proper legislation regulating the acquisition expenses of casualty companies, the maintenance of proper reserves, and the establishment of rates which will be adequate, is the Superintendent's opinion. He points out

(Continued on page 178)

Digitized by Google

AMERICAN ASSOCIATION OF ACCIDENT UNDERWRITERS.

Proceedings of Midwinter Meeting Held at Chicago This Week.

The midwinter meeting of the American Association of Accident Underwriters was held at the Hotel La Salle, Chicago, on Monday and Tuesday of this week, a large number of accident underwriters being in attendance. President Charles H. Boyer was in the chair at all the sessions.

The address of welcome was delivered by President Isaac Miller Hamilton, of the Federal Life, who praised the city as a convention city and the visitors as a lively body of underwriters. He said the present age is one of co-operation rather than competition and that standards of excellency, efficiency and economy are receiving more attention. He believed in promoting good will and harmony and in eliminating the evil practices. A more careful selection of agents is an important consideration just now.

The response was made by W. A. Granville, of Philadelphia, president of the Pennsylvania College.

This was followed by the reports of several committees, after which the subject of "Insurance Education" was taken up. The first address was by Insurance Commissioner Willard Done, of Utah, who spoke at some length.

MR. DONE ON INSURANCE EDUCATION.

Commissioner Done, who has made a study of the need of education and of a practical method of meeting that need, said, in part:

A subject of universal application should be an object of universal knowledge. Such a subject is insurance. Since every one is at some time interested in insurance, and either enjoys the advantage of it or severely misses the protection that should be there but is lacking, every one should be familiar with its fundamental principles. To learn these principles is to be armed against unsafe schemes and dishonest agents. It goes without saying that these have been largely responsible for the present misunderstandings regarding insurance, and the many serious difficulties in which people have found themselves while considering this subject. * * * I am glad that insurance education is receiving universal attention, not only from insurance men and others directly interested, but from educators and the general public. It is a good omen. I welcome it as one of the best and most hopeful signs of the times. We should all pledge our best efforts to further the movement.

It seems to me that we have been approaching this matter of insurance education from the wrong angle. So far as I know there has been

NO CONCERTED ATTEMPT TO POPULARIZE THE SUBJECT,

Text-books written and courses prepared have been of, for, and by insurance companies and their present and prospective representatives. While it is very desirable that these books and courses shall be by insurance experts, the results of their work should be for the people. We have been treating this great subject from the actuarial and the technical side, and I believe that it is time for us to approach it from the popular side. For example: There is the justification for insurance; its essentially co-operative character; the fundamental fact that practically all insurance is in the last analysis mutual in character. There is also the fact that instead of the policyholders and the company being at war, the policyholders are indeed the company and the company means the policyholders. Then the fundamental principle that losses make rates, policyholders make losses, and therefore they are the only ones who can reduce rates. Impress the fact that burdens added to the company through excessive expenses, undue taxation, etc., are really burdens added to the insuring public; that there is no such thing essentially as profit in the insurance business, as the word is generally understood, but that it is merely a system of collection and distribution, under proper safeguards of organization and legislation; that the interests of one are the interests of all; the injury of one, the injury of all.

OTHER FUNDAMENTALS

can also be taught. The law of average on which all insurance is based must be made the foundation. The immutable law by which happenings in great number are regulated almost to a certainty is most fascinating to the child fond of research. The theory of probability, simplified so as to come within his understanding, will appeal with resistless force to the young person of mathematical mind. I have found the application of this law to losses in fire, life, and miscellaneous insurance one of the most interesting of topics to present to the young.

The essentially co-operative character of insurance as a business, because it is based on an exact science, can next be made impressive. The youth should grow to manhood not with the idea that the insurance company is an immense, greedy, destructive octopus, strangling and devouring the hapless public; but with the thought strongly impressed that it is composed of fellow-insurers, each contributing small amounts to a common fund, from which are taken the larger payments made to the small number who suffer loss. Let them know that this is the case, no matter what kind of insurance is involved. As a corollary to this truth will come the thought that if one would diminish his contributions to this fund, he must help lessen the losses. And lo! the whole great and magnificent subject of conservation is introduced!

THE SOCIOLOGICAL AND ECONOMIC SIDE

of the question can be impressed. The youth can be made to know that pauperism, dependency, helplessness, poverty, and a host of similar ills are prevented by wisely selected and carefully continued insurance, of whatever kind. Teach them that there is no finer system of philanthropic finance devised. Make the impression so strong that when the high official of a great insurance company says, as one stated in the New York investigation of 1905, that insurance is essentially an eleemosynary institution, the statement will be greeted with approval and not with derision. For the words this official uttered were true, and have been proved, and should be impressed and accepted.

These things have been earnestly advocated in addresses by insurance executives and others, but these addresses with the valuable lessons they convey have not been brought strongly and effectually before the general public. They have been used for limited distribution among insurance people, but they have not reached the great common people. Yet the common people should know these things. They are part of the fundamental principles underlying all insurance. No man can really understand the technical details of the science of insurance without knowing these things.

Hence my idea is to start this movement with simple elementary instruction on these and other fundamentals, with the school children, even as low as the eighth grade. The work should be prepared so simply that the teacher of the eighth grade or the high school or the business college, though entirely lacking in technical insurance education, can take the work up with the student and get at a proper understanding of these fundamentals. The only place where this has so far been attempted is in the text-books prepared by some of the large life insurance companies and distributed to their agents. Here the right idea has been caught and followed. What is needed now is general work of a similar character properly simplified and amplified for universal use. It is a matter partly of text-book and partly of teaching, the one dependent upon the other. * * *

INSURANCE HAS LONG BEEN MISREPRESENTED

through the various media of publicity. It is now time for it to be represented. A course of study in vindication and justification of insurance is now necessary and opportune. If the present generation has been trained up in ignorance and antagonism, future generations must be trained in understanding and friendliness. While the mass of insurance text and teaching is so great as to be overwhelming, and valuable as these treatises and treatments are and have been, they lie on library shelves or live only in

Digitized by Google

highly technical institutions. They can and must be adapted to the mass, to the many. Insurance is not a subject for the few or the class. It touches too intimately the lives and fortunes of all to be restricted to any certain number.

Why are assessment insurance advocates heeded in their attacks on the old line system? Because the public do not understand the fundamentals of legal reserve insurance. Why do demagogues succeed in inflaming the public mind by declaiming against the "immense accumulations in the hands of life insurance companes in Wall Street"? Because the people have not been told that without these reserves belonging to the policyholders and administered in their interest every company would be bankrupt. Why are men so fearful of the possible misuse of these funds to the detriment of the common people? Because they do not uderstand the strict regulation of these funds and their custodians by the laws of forty-eight States. Why has sectionalism been encouraged and fostered by unscrupulous agitators and promoters in the sacred name of insurance? Because people have not been given to understand that insurance is so general that it belongs to the people as a whole and not to any locality. Why do you gentlemen meet with the unfair competition of organizations which appeal to members to carry their own insurance and save the expense of company management and State supervision? Because the people do not know the difference between present and permanent solvency, and the manner of preserving this by strict supervision, financial skill, and reserve accumulations. So shall the citizens of the future be induced to approach this subject from a friendly, not an antagonistic standpoint. So shall the propaganda of the agent be made easier and more fruitful. But this work of advertising and teaching will never supersede the agent. Him we shall always have with us. He will always be a necessary adjunct of the business. He is the point of contact between the company and the public. If there is no point of contact between the dynamo and the machine, no direct power is applied, no effective current passes. So your effective insurance current is cut off or fatally weakened without the agent. And by the same token this point of contact must be bright and clean, not tainted or tarnished. * * *

Whence will come this demand for insurance education? It cannot come with so much grace from interested as from disinterested sources. For the insurance company or the insurance agent to be its strongest champion is to give ground for the suspicion of selfishness. For no matter how much we may try to inculcate the truth that insurance is essentially co-operative in its character, there will still be many among the influential who will regard with suspicion and hamper with opposition the attempt on the part of companies and their representatives to establish in the schools and elsewhere courses in insurance teaching.

While, therefore, representatives of the companies can help, the initiative must be taken by those not so directly interested, if it is to meet with a high degree of success. I know of no class of men better situated to lead this movement and further it than the insurance commissioners. They occupy a middle ground. They are representatives of the people, but at the same time they represent them only so far as they are affected by the insurance companies. The reason for their existence is the existence of insurance companies, which have dealings with the people, whose servants the insurance commissioners are.

This disinterested relationship peculiarly qualifies the commissioners to establish the need of insurance education, and to determine its character. They cannot be justly accused of too great interest in the companies' welfare; and they must be conceded a certain interest in the people of their respective States. Since they are disinterested and yet honestly and earnestly anxious that their people shall understand, and not misunderstand, the great institution on which so much of public and private welfare depends, they should naturally be regarded as those best fitted to take the lead in this important movement.

Another address on the same subject was made by Insurance Commissioner J. A. O. Preus, of Minnesota, who spoke with his usual force and vigor, heartily endorsing the proposition and expressing some excellent ideas. It is from Minnesota that W. M. Horner, the enthusiastic backer of public education on life insurance, comes.

AFTERNOON SESSION.

The afternoon was devoted to the reading of reports of various committees and to a general discussion of the proposed limitation of agents' commissions, decreased indemnities or increased premiums for automobile accident policies, the standard provision laws and the monthly payment business.

There was also an interesting address by Insurance Commissioner Herman L. Ekern, of Wisconsin, who spoke on "Agents' Qualifications." Mr. Ekern argued for a more careful selection of company representatives, pointing out that the future of the business depends largely upon the character of its salesmen and the manner in which policies are sold.

Monday evening a large number of people attended the public meeting in the red room of the La Salle, at which time a number of people interested in insurance education and the conservation of life by means of accident prevention spoke. Insurance Commissioner Rufus W. Potts presided at this meeting.

TUESDAY'S SESSIONS.

At the session Tuesday morning the discussion of compensation for agents was continued, and a resolution was finally adopted recommending to the companies that they cut down the agents' commissions in the large cities to a maximum of 35 per cent. to general agents and 25 per cent. to local agents, with 25 per cent. a maximum outside the large cities. This recommendation will be forwarded to the Detroit Conference, the National Mutual Union and the Southern Casualty and Surety Association. Under the constitution of the organization its members have no right to bind their companies, its action being merely advisory.

The comparative advisability of increasing the charges on monthly payment policies or decreasing benefits was considered. It was suggested that under the dollar-a-month policy paying $60 a month for health and accident disability and $600 in case of death the payments be made $50 a month for health and accident disability and $500 in case of death. It was also suggested that a conditionless policy be formulated for which an adequate rate should be charged.

Some of the insurance commissioners present took part in the discussion, saying that their most numerous complaints came from industrial policyholders, mostly ignorant foreigners, who were imposed upon by dishonest agents, and urged that the standard of agency representation be improved.

AFTERNOON SESSION.

The concluding session was held Tuesday afternoon, which was devoted principally to an address on "State Insurance," by the Hon. Arthur I. Vorys, formerly insurance commissioner of Ohio. Mr. Vorys is not a believer in State insurance of any kind, and he expressed the opinion that the time has come to decide whether socialism shall prevail. He discussed the Ohio situation as to workmen's compensation at some length.

During the meeting thirteen new members were elected. Sanford M. Baker, of the Pacific Mutual Life, was elected to the executive committee, succeeding H. C. Forbes, of Alabama.

New York Insurance Report.

(Continued from page 176)

in his report the various steps which have been taken recently by the National Convention of Insurance Commissioners to formulate proper legislation on these points.

The tremendous changes which are taking place in the field of liability insurance by reason of the passage of workmen's compensation laws throughout the United States have, the Superintendent points out, somewhat delayed the formulation of uniform legislation covering these matters, but in the meantime the New York Insurance Department, by pushing to the uttermost the broad discretionary powers vested in the Superintendent of Insurance, has been endeavoring to accomplish a much-needed reform in reducing the heavy expenses which, under stress of competition, casualty companies have been paying out for the purpose of getting new business on their books. The report describes in detail what has been done in this respect.

What should be the proper attitude of the State toward such organizations as the New York Fire Insurance Exchange and other rate-making bodies, is fully considered in the report. Attention is called to the strong tendency, in insurance as in other kinds of business, toward the elimination of competition and

Digitized by Google

the substitution of co-operation and combination in place thereof. Mr. Emmet has no fault to find with this tendency, so long as laws are passed under which a State insurance department will be enabled to subject these rate-making combinations to a degree of scrutiny and supervision which will really protect the public against possible abuses arising from monopolistic conditions. In this connection he says:

"The fact is, a stable insurance business cannot be conducted upon a basis of open and acute competition. In this respect the situation differs radically from that in ordinary mercantile business. The grocer, for instance, knows the price which he has to pay for his goods, and will avoid fixing a retail price so low as to endanger his solvency. But in the case of insurance, the indemnity is sold before the cost—that is, the loss—is known, and consequently the seller of insurance is tempted in competition to reduce his price below what will prove to be the cost, measured by the actual loss sustained. This inevitable tendency has been thoroughly demonstrated in a sorrowful succession of rate wars, and it is now pretty generally accepted as a fact by those most conversant with the insurance business that a condition of open competition is absolutely untenable in practice, however it may be in theory, and that such a condition simply cannot be made the basis for a stable system of insurance."

The conclusion Mr. Emmet comes to is that, in order to make State supervision over fire insurance rate-making effective, the experience of the companies upon which their rates are based should be tabulated according to some uniform system and filed with insurance departments, who should then be empowered by law to pass upon the adequacy of the rates charged, if not upon their reasonableness. The Superintendent is strongly opposed to State rate-making as such, and believes that, in the first instance, rates should be made by such organizations as now exist for that purpose. He bases his belief that insurance departments should be empowered to pass upon the adequacy of rates on the fact that it is the fundamental duty of departments of insurance supervision to safeguard the solvency of companies, and that in order to safeguard solvency it is necessary that they shall have the power to see to it that adequate rates are charged. Upon this point he says:

"If, for instance, the Insurance Department or some appropriately organized rating board possessed the power—with the aid of these statistics and upon the judgment of competent experts in its employ—to investigate and publicly report upon complaints either as to the inadequacy or the unreasonableness of insurance rates, it seems to me quite possible that the mere publicity which would be given to the findings of such a tribunal would, in itself, sufficiently protect both the public and the companies without the entry of any enforceable judgments upon such findings. But even if it should ultimately come to the point where this last-mentioned final measure of rate-control were given to a public official—acting, however, not as a rate-maker himself, but as one passing upon the justice of rates made by the companies—is there any real reason, after all, why disputes of this kind could not be adjudicated with at least as much equity and fairness as are many of the controversies which Public Service Commissions now dispose of—to the satisfaction, broadly speaking, of all concerned? Is it not true, as a matter of fact, that those quasi-public organisms which are now under the jurisdiction of the Public Service Commissions would, if they were given their choice, prefer on the whole to remain there rather than to revert again to that condition of incessant legislative attack which was their lot before the creation of Public Service Commissions gave the people the safety valve they felt they needed in their dealings with these organisms?"

THE DETROIT CONFERENCE.

Midwinter Meeting of "The Body That Does Things," Held at Milwaukee This Week.

The annual midwinter meeting of the Detroit Conference was held at Milwaukee this week, beginning on Wednesday. There were in attendance about fifty representatives of thirty-five companies besides a large number of guests. President Reinhold R. Koch was in the chair, and there were addresses of welcome from Henry F. Tyrrell, who represented Governor Francis E. McGovern; Insurance Commissioner Herman L. Ekern, of Wisconsin; Mayor Bading, of Milwaukee, and Orlof Anderson, president of the Wisconsin Health and Accident Underwriters' Association.

The first session was devoted mainly to reports of the various committees, each of which evidenced distinct progress.

The formal addresses included one on "State Insurance" by the Hon. Arthur I. Vorys, of Ohio, who spoke in essentially the same vein as at the meeting in Chicago on Tuesday.

MR. HOFFMAN ON INDUSTRIAL ACCIDENTS.

Frederick L. Hoffman, statistician of the Prudential Life, gave a thorough treatise on "Industrial Accidents in the United States and Their Relative Frequency in Different Occupations." Mr. Hoffman displayed his usual familiarity with statistics of this character. He said in part:

On the basis of the most trustworthy statistics, both American fatality rate for males about 0.73 per 1,000, and for occupied females, 0.08 per 1,000. The approximate number of non-fatal serious injuries is about 300,000. Including lesser injuries of all kinds, the probable number is approximately 2,000,000. In the Prudential industrial experience for the decade ending with 1912 the three principal causes of fatal accidents have been railway injuries, drownings, and falls, accounting, respectively, for 52 per cent. of the accidental deaths among males and 30 per cent. of the accidental deaths among females. For women, burns and scalds are the principal causes of fatal accidents, accounting for 29.5 per cent. of the accidents from all causes.

Considered by separate employments, the fatality rate is highest for men employed in metal mining considered as a group. The rates for specific employments—mining, railroading, lumbering, navigation, etc.—are considerably in excess of the rate of 4.2 per 1,000 for men employed in metal mining. For copper miners considered separately the fatality rate in 1911 was 5.3; for iron miners, 4.3; for lead and zinc miners, 3.4; and for gold and miscellaneous metal miners, 4.0. For coal miners the estimated rate for 1913 was 3.5 per 1,000. During the year 1911 the rate for Tennessee was 10.3, and for Alabama, 9.5. The underground fatality rate for 1911 was 4.19 per 1,000, and the surface fatality rate was 1.49. For the fisheries the estimated fatality rate was 3 per 1,000, but for the Gloucester fisheries only the rate for the decade ending with 1906 was 11.7 per 1,000. The fatality rate for navigation was estimated at 3.0; but for the life-saving service separately the average rate for the decade ending with 1906 was only 0.9 per 1,000. The loss ratio of vessels, according to the Bureau of Navigation, was 14.2 per 1,000 for sailing vessels, 12.9 for steam vessels, and 13.6 for both classes combined. The fatality rate for railway employees considered as a group was relatively low, or only 2.4 per 1,000; but for railway trainmen the average rate was 7.4; for switchmen, 3.6; and for trackmen, 1.8. In the railway mail service during 1911 the fatality rate was only 0.73 per 1,000. For other more or less dangerous trades, briefly considered, the fatality rate for electrical industries was given as 2.25; for the Navy as 1.85; for quarries as 1.69; for the lumber industries considered as a group, 1.5; and for soldiers in the U. S. Army about the same. For building and construction considered as a group, the rate was given as 1.25, but the rate for structural ironworkers alone would be very much higher. For agricultural pursuits the industrial accident rate was estimated at 0.35, and for manufacturing in general at 0.25. For occupied females the fatality rate was only about 0.08 per 1,000.

Some of the foregoing facts were illustrated by a series of charts emphasizing among other interesting facts the relative frequency of injuries in different employments, according to the part of the body affected. Additional thereto some new data were presented illustrating the general accident mortality of the United States on the basis of the returns for the registration area and with a due regard to sex, age, and principal causes. The fatal accident rate for males was given as 125.9 per 100,000 of male population; and for females at 39.1. Of the accidents to males, the principal cause was railways, accounting for 19.9 per cent., followed by falls with 14.9 per cent., and by drownings with 12.6 per cent. For females, the principal cause of accidents was falls, accounting for 29.7 per cent., followed by burns with 23.7 per cent. On the basis of the available information, the number of fatal accidents to males in 1914 was estimated at 60,000, and for females at 17,500, making a total of 77,500.

In conclusion, Mr. Hoffman discussed briefly the accident rate

Digitized by Google

by age and sex on the basis of some original calculations for the registration area of the United States. For all causes, the accident rate was shown to increase from age fifteen to the end of life, and for both sexes, but at a less rapid rate for females than for males. For railway accidents the fatality rate remains almost the same throughout adult life, but the rate for accidents due to falls rises rapidly from about age twenty to the end of life. For drownings, the highest rate occurs at ages twenty to twenty-four.

Following the statistical presentation, the speaker dealt briefly with the subject of accident prevention, workmen's compensation, and social insurance.

MR. BARNABY ON INSPECTIONS.

Following Mr. Hoffman, W. S. Barnaby of the *Spectator* read a thoughtful paper on the subject of "Inspections." He pointed out the advance in the thought of the times in casualty insurance matters, and exhibited a careful and earnest study of the situation. The following are extracts from his paper:

In the rapid growth of any business dealing with the public at large, such as industrial health and accident insurance has experienced, it is generally to be expected that the system originally adopted will not fit itself uniformly to the extension of the business. The line of human endeavor and benefit in which your companies are engaged has in the course of a decade assumed proportions which the pioneers could have scarcely anticipated even in their wildest flights of imagination. Year by year your agents are going up and down throughout the length and breadth of the land, bringing to the attention of the great masses of the industrial population the advantages which will accrue to them through small payments in the event of their being disabled by accident or illness. Accidents are always possible under modern conditions where the human factor is present, and, of course, come unexpectedly. Illness, on the other hand, often gives warning of its approach, although many times it arrives unheralded. In providing insurance against such contingencies you are engaged in a work which tends to relieve suffering, not only on the part of the insured, but of the immediate family, through taking off the sting of pressing poverty which such disablement often incurs.

While exact figures are not available regarding the premiums received and benefits paid in your special field, yet it is known that they mount up into the millions annually, and will undoubtedly continue to grow despite the increasing volume of workmen's compensation insurance which is now being written through the compulsory legislation of a number of the States. In reality, workmen's compensation should prove a valuable ally to industrial health and accident insurance by showing the workers the benefits of being protected not only while engaged in their ordinary avocations, but in their hours of leisure. This point no doubt has been brought to the attention of your field forces, and should prove a material aid in still further increasing the already magnificent volume of your business.

Mr. Barnaby spoke of the value of inspections of agencies and the insured, and on the latter subject said:

Inspection of the insured is probably as important as inspection of the agent, but as nearly as can be discovered such inspection is comparatively rare. There is unquestionably a good reason for this in the case of your companies, because of the large number of policies issued which are for comparatively small amounts. The reputation of the agent weighs for much in considering the issuance of the policies applied for, but it must be evident that a closer inspection of applicants is desirable. How this can best be accomplished is a matter which only experience can determine. Some of the industrial life insurance companies, it is understood, are using some of their superintendents as lay examiners. That is, instead of having an applicant medically inspected, the opinion of the superintendent as a business man is asked respecting the risk. Persons charged with passing on the merits of applicants for employment, unconsciously perhaps, consider their physical aspects, and if the applicant does not look particularly strong he is rejected, and it is on that principle that the companies referred to are now working. This plan might work out to some extent in the health and accident field, and is merely submitted as a suggestion. Another method is that involving the services of a traveling inspector, who should visit the several agencies, without previous notice, and thoroughly inspect the debits. He would see the insured personally, and ascertain if he or she fitted the answers made in the application, especially as to occupation and previous condition of health. Such an inspector would also act as a deterrent effect upon the agent, in that the latter would never know when the inspector was to visit him; and while we all admit that the great majority of men are honest, yet it is equally true that many are kept honest only by the fear of being found out. An inspection of all risks accepted could be accomplished by such a plan, and it would bring far greater returns than to wait until the insured becomes a claimant.

Among the other speakers at the meeting was A. R. Arford, secretary of the Workingmen's Mutual Protective Association, whose subject was "Whither Bound," and W. L. Chandler, manager of the Dodge Manufacturing Co., who talked on "Benefit Funds among Industrial Workers." Mr. Chandler gave the results of an extensive investigation of this subject, saying in part:

The effectiveness of this type of insurance may be measured by the relation of membership to the number of employees eligible. The general average was 48 per cent., and where employees managed the funds unaided, 30 per cent. were enrolled. Where employers managed the funds, 75 per cent. were enrolled, and where joint management prevailed, 66 per cent. enrolled. Fifteen per cent. of all funds had more or less compulsory membership, but some without this feature covered 95 per cent. of those eligible.

Ninety-three per cent. of all funds cover sickness disability and 90 per cent. cover accident disability. The available figures do not show separate costs, so sickness and accident data must be considered together. The average cost for both, covering about 350,000 members, was $3.42 per member.

Seventy-one per cent. of the funds pay temporary sickness or accident benefits during a single specified period varying from five to fifty-two weeks for one disability, or in many cases for the total of all disability benefits as a maximum in any one year, thirteen weeks being the general favorite.

Twenty-three per cent. of the funds have a secondary period, after the expiration of the first one, wherein the benefits are reduced. Adding both periods together, twenty-six weeks is much the most popular total term.

The remaining 6 per cent. have three and four periods, some running apparently without constitutional limits.

Miscellany.

The Inspector and the Insured.

The address given by Chief Inspector F. M. Griswold, of the Home Insurance Company, before the members of the Insurance Society of New York on Tuesday afternoon was afterward characterized as one of the most helpful to inspectors that has been heard in a long time. Mr. Griswold presented a view different from that of some who have spoken on the subject of inspections, and his long and successful experience gives his opinion weight.

Below we give the opening part of Mr. Griswold's address, and the remainder will appear in the Fire Insurance Supplement next week:

I assume that in an assemblage of this character is to be found those whose presence is indicative of a desire to profit by the teachings which may come to them through the lectures and addresses which are provided by the Society for their consideration and edification, whereby the information thus to be gained may serve to more fully fit its membership for that measure of success in their profession which should be the reward of earnest effort in the accumulation of knowledge affecting a chosen line of activity.

In attempting to impart to you my conception of the importance of the subject under consideration, I fear that within the time allotted it may not be possible to consider other than the leading points concerning a matter which includes so wide a field of essential knowledge relative to the varied and intimately mutual interests which exist between the insured and the insurer, the proper harmonizing of which so often falls to the lot of the competent inspector, whose measure of success and whose value to his employer, as also to the insured, largely depends upon a proper appreciation of the importance of these interlacing

Digitized by Google

relations, the knowledge of which will enable him to accomplish best results with the least friction in his intercourse with that aggregation of "the many men of many minds" which makes up the body of the insuring public, to whom in some instances the inspector may appear as an unwelcome critic, if not as an intruder.

In considering the duties of an inspector as related to his contact with the insured, let me give you an outline of my conception of the necessary mental equipment to fit him for success in that line of endeavor: Primarily it may be conceded that the man who has had a technical education holds an advantage which should enable him to more rapidly advance in comprehension and accomplishment than usually falls to the lot of one not so endowed, but experience has demonstrated that such foundation is not absolutely essential, as some have succeeded without it; however, when technical knowledge and scientific attainments are secured through the process of abrasion and attrition in the hard school of experience, the graduate has paid dearly for his lack of earlier training.

Whatever the method of technical accomplishment—whether it be founded on training in a technical school or be the result of later effort, the aspirant for success as an insurance inspector should be somewhat familiar with insurance practice and be endowed with a broad complement of common sense; have an inquisitive and observant mind coupled with a desire to investigate the "why and how" of every problem; a constantly receptive brain, a retentive memory, an insatiable thirst for knowledge, and be possessed of that higher faculty which will enable him to be an imparter of knowledge, a teacher of those less thoughtful or less informed, and finally, to be imbued with such resourceful ingenuity and capacity as will fit him to plan and carry out the details of technical propositions to a successful issue.

Assuming that the inspector is "charged with knowledge" as well as with the other attributes indicated, it seems well to discover what is meant to be included in the interpretation of the word "inspect." The dictionary defines it to be "a critical examination; close or careful survey or investigation of something of special moment; to ascertain by examination the quality of work"; hence, an inspector is "one whose duty it is to secure by supervision proper performance of work, in order to make a formal report."

Elaborating these definitions for application to the duties of the insurance inspector, let us broaden the word "work" to include in its meaning "condition," in the sense that the latter word represents the result of work performed, including the method and process which produces the condition creating and controlling the hazards to be investigated. Then, in order to comply with this broader interpretation of the definition, the formal report to be made by the inspector must be based upon the facts developed after a critical survey and examination of the nature and condition of all matters subject to his investigation.

(To be continued)

Too Technical.

Fireman's Fund Record

A client in far-off Alaska ordered a shipment of goods to be insured in the Fireman's Fund, and was written to that we would *hold the shipment covered*, pending his advice as to name of steamer, to which he replied:

"I am surprised to see you hold up the shipment of ——. In your letter of November 15th you want to know what vessel to ship the goods on; it seems to be a foolish question for the reason that I send to —— shipping instructions with the order. I ordered this goods for winter use and we will soon have January; it soon will be three months since I ordered the goods.

"I wish you will ship this goods at once on the first Pacific Coast S. S. Co. boat leaving for S. E. Alaska, and cut the insurance out."

This client, like many others of our friends, had no idea of the meaning of the phrase "Hold the goods covered," either from a fire or marine point of view.

The old sailor yarn of the naval lieutenant who ordered the boatswain to "postpone the gig and expedite the cutter," who received from the old salt the reply: "Postpone is sick below and Expedite has gone ashore," fits in all lines of business, and we must fit our language to the recipient if we hope for results.

The every-day man who knows all about the meaning of the word "insure" may have a very hazy idea of the word "cover," the word "hold," or the combination "hold covered."

Insurance Legislation.

Kentucky.

FRANKFORT, February 26.—The Senate to-day passed the Glenn rating bill after it had been amended so as to reduce the tax on insurance companies to 1 per cent. for the maintenance of the rating bureau; to provide a legislative investigating commission of three to report to the next general assembly; to provide for an inquiry as to the advisability of appointing an hydraulic engineer and electrical expert to examine water and lighting systems with a view to reducing the fire hazards; empowering the rating board to order a general reduction whenever rates are shown to be too high, and exempting Kentucky mutual fire insurance companies from the provisions of the law. It is expected that the House will immediately agree to the amendments, and that the Governor will sign the bill.

Bills introduced:

House Bill 591 (Reed), providing for the organization and management of mutual employers' liability insurance companies.

House Bill 553 (Judy), to further regulate assessment and co-operative fire insurance companies.

House Bill 528, permits the insurance commissioner to employ extra examiners, and requires insurance companies to give these examiners access to their books.

House Bill 275, the Greene rating bill, which was substituted for the Glenn bill in the Senate, was advanced on Tuesday to the orders of the day, by twenty-two votes, two more than necessary to pass it.

Maryland.

ANNAPOLIS, February 26.—Bills introduced:

Senate Bill 336 (Beck), prescribing conditions for the conduct of health insurance for domestic and foreign companies.

House Bill 444 (McIntosh), providing for the appointment of an auditor for the insurance department.

House Bill 445 (McIntosh), relating to insurance brokers.

House Bill 446 (McIntosh), providing for licenses for agents.

House Bill 447 (McIntosh), providing for liquidation of insolvent companies by the insurance commissioner.

Senate Bill —— (Williams), being the Lord workmen's compensation bill.

House Bill —— (McQuaide), being the McQuaide workmen's compensation bill.

Mississippi.

JACKSON, February 26.—Bills introduced:

House Bill 765 (Benefield), prohibiting any individual or corporation engaged in the banking business from acting as agent for any life insurance company.

Senate Bill 455 (Hobbs), to require life insurance companies and benefit societies with less than $15,000 cash assets to execute a cash bond with the State Treasurer, fixing penalties for violation, and requiring the enforcement of the same by the insurance commissioner.

House Bill 707 (Bramlett), to prevent the defeat of recovery under a fire insurance policy by any condition that the insured must be the sole owner or owner in fee simple, except in case of actual fraud.

Bills passed: House Bill 287, passed by House; House Bill 288, passed by House.

House Bill —— (Barry), relating to endorsement by fire insurance agents, and providing that they shall have a right to make certain endorsements, where fire insurance companies withdraw or cease to do business in the State or in the municipalities thereof. It provides that companies shall keep an agent in all towns after such withdrawal to sign vacancy permits, etc. The bill was drawn by Insurance Commissioner Henry.

The compulsory investment bills were considered at the Senate Insurance Committee Thursday night. The Gulf Coast Life fought for the enactment of a bill. It is thought here there is not much chance for it.

The House has fixed the date of adjournment for March 14th.

Digitized by Google

New Jersey.

TRENTON, February 26.—Bills introduced:

House Bill 462 (Burton), to amend Section 76 of act regulating insurance companies, by providing that the section shall not apply to life insurance companies, title or mortgage insurance companies or mutual accident companies limiting their membership to a single trade, and also providing that no company shall reinsure in one risk under one policy, in a sum aggregating twice the amount of liability retained by itself.

House Bill 468 (Carroll), to permit live stock insurance companies to begin business when 25 per cent. of the capital has been paid in in cash.

Senate Bill 211 (Read), to require every insurance company to report to the insurance department a statement of all premiums received from other companies for re-insurance, also the amount of premiums paid to other companies for re-insurance.

House Bill 424 (Holcomb), providing a method to submit the question of "wilful injury" to a jury.

House Bill 477 (Kirkpatrick), to provide that no company shall re-insure in any other company any risk for a sum exceeding the aggregate of twice the amount of liability which it retains.

House Bill 498 (Rowe), amending the employers' liability law, respecting the liability of a third person, or corporation, for compensation benefits.

Senate Bill 224 (McGinnis), to amend the compensation schedules in the employers' liability law.

New York.

ALBANY, February 26.—The Legislature has voted to adjourn *sine die* on March 27th.

Governor Glynn has signed the Horton bills relating to the licensing of agents of accident and health insurance companies.

Bills introduced:

Senate Bill 606 (Rampsberger), to amend the adjuster's license law, to permit the Insurance Superintendent to license those whom he "deems" trustworthy and competent, instead of those who "are," also striking out the provision for a hearing before the revocation of an adjuster's license, and also the provision making such revocation subject to review by a writ of certiorari.

House Bill 775 (Gillett), to amend the law relative to reserve funds of mutual employers' liability and workmen's compensation corporations, so as to require the same reserves as is required of stock companies engaged in the same class of business, except that the standard for workmen's compensation reserves is the same as that fixed for the State insurance fund. Certain regulations for the admission of foreign mutual companies are provided.

Rhode Island.

PROVIDENCE, February 26.—Bills introduced:

House Bill 190, to provide for the exemption of the Masons, Odd Fellows, Elks, and domestic societies which limit their membership to the employees of any particular city or town, domestic firm, business house or corporation, from the provisions of Section 29 of Chapter 803 of the Laws of 1912, as amended by Section 3 of Chapter 958 of the Laws of 1913.

Senate Bill 96 (Hambly), to provide for reciprocal taxes and fees.

South Carolina.

COLUMBIA, February 26.—The Senate finance committee has incorporated in the general appropriation bill a provision that 60 per cent. of the liability carried by the State on public buildings shall be reinsured in old line companies.

Virginia.

RICHMOND, February 24.—House Bill 318, which has been reported from the Committee on Courts of Justice, requires contributory negligence to be set forth in a bill of particulars when relied upon as a defense.

A strong opposition to workmen's compensation legislation has appeared in the Legislature, and there seems small chance for its passage.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.
Established 1809.
OFFICE
76 WILLIAM STREET,
New York City.

OUR direct contract system places the Company in absolute touch with the individual agent, consequently merit is recognized. Several good openings are available for men who have had experience in handling men and developing territory. Are you interested?
Pittsburgh Life & Trust Co.
Home Office, Pittsburgh, Pa.
W. C. BALDWIN, President — HOWARD S. SUTPHEN, Director of Agencies

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY 1st, 1913.
Assets $2,464,562.05
Surplus in United States 1,018,318.63

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.
Head Office TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1913
Assets $1,746,624.71
Liabilities 1,045,080.89
Net Surplus $701,543.82
HON. GEO. A. COX, President. W. R. BROCK, Vice President
W. B. MEIKLE, General Manager.

Firemen's Insurance Co.
NEWARK, N. J.
STATEMENT JANUARY 1, 1913
Capital Stock, - - - - $1,000,000.00
Reinsurance Reserve, - 2,781,578.19
All other Liabilities, - 331,961.11
NET SURPLUS, - - - 2,723,239.49
TOTAL ASSETS, - $6,836,778.79
DANIEL H. DUNHAM, President — CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary — JOHN KAY, Treasurer

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.	
Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,044.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interest, Rents, etc.	6,124,489.92
Total	$447,829,229.16
LIABILITIES.	
Dividends Apportioned, payable 1913, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
(Note—Nearly all this Company's Ordinary Policies are Non-Participating — issued at low rates of premium.)	
Bonuses Apportioned, payable 1913, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

"CHEERFUL YESTERDAYS— CONFIDENT TO-MORROWS."

Our Field force is "Cheerful" over the yesterdays of 1913—both issues and deliveries were larger than in the phenomenal year 1912. Our field force is "Confident" in respect to the "To-morrows" in 1914. Already they have made a fine start, and they face the future fearlessly, filled with faith in their country, with pride in their business and with devotion to their Company. Occasionally we have an agency opening for a delivering producer.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
HAUGHTON, SMITH, STOKES & PACKARD, Resident Managers.....423 Walnut St., Philadelphia

Digitized by Google

LIVE ARTICLES

ON

INDUSTRIAL SAFEGUARDS

(VOLUME I.)

A book dealing with the inspection of liability risks and the prevention of industrial accidents. Eighteen articles, fully illustrated.

CONTENTS

Steam Boiler Explosions (Illus.), by William H. Boehm.
Boiler Room Hazards, by Francis B. Allen.
Water-Hammer in Steam Pipes (Illus.), from "The Locomotive."
Fuel Economy and Boiler Insurance, from the F. & C. "Bulletin."
The Engine Room (Illus.), by Robert H. Pearson.
The Flywheel (Illus.), from the Travelers "Standard."
Electric Power (Illus.), by Robert H. Pearson.
Water Power (Illus.), by Capt. Charles H. Manning.
Grinding Wheels (Illus.), by V. H. Bartholomew.
Belt Shifting Device (Illus.).
Contractors' Liability (Illus.), by W. J. McCaffrey.
Contract and Construction Work, by Robert H. Pearson.
Sprinkler Leakage Insurance and Inspections (Illus.), by T. M. Donaldson.
Heavy Chemical Works (Illus.), by Francis Denison Patterson, M.D.
Workmen's Compensation, by E. W. De Leon.
Workmen's Compensation and Sprinklers, from the Sprinkler "Bulletin."
Liability Insurance Inspections, by Robert H. Pearson.
Accident Prevention, Applied to Razing (Illus.), by Mott A. Brooks.

Cloth Bound, 150 Pages, Pocket Size, $1.05 per copy
In quantities, $500 per thousand; $75.00 per hundred; $10.00 per dozen

The Weekly Underwriter, 80 Maiden Lane, New York City

THE INSURANCE ALMANAC

For 1914 (Now in Preparation)

A Book you will need daily for information about insurance matters. Reliable information in concise form, thoroughly cross-indexed for quick reference.

Company Information (covering all kinds of insurance).
- Officers, Directors, Territory covered, and Lines Written.
- Statistics for 1913.
- Life, Fire and Miscellaneous Companies.
- Lloyds, Inter-Insurers, Underwriters' Agencies, Etc.
- New Companies and those which ceased business in 1913.

Associations of Underwriters (National, State and Local).
- Who's Who, What they are, where and when they meet.
- Companies belonging to Unions and Bureaus, and other Associations.

The State—Legal Information, Etc.
- Governors, Insurance Department Officials, Etc.
- Congress and the Legislatures.
- Dates of forthcoming Legislative Sessions.
- New Laws enacted by the last Legislatures.
- **Workmen's Compensation Laws tabulated and compared.**
- Statutory Requirements in the different States.
- States having particular laws—Anti-Compact, Standard Policy, Etc.
- Fire Marshals, Salvage Corps, Fire Prevention Associations, Etc.

General Information of interest and value to insurance men at all times.

A BOOK OF PRACTICAL INFORMATION

Price One Dollar—Ten Dollars Per Dozen—Order Now

A Few Copies of the 1913 Edition Still Available

THE WEEKLY UNDERWRITER

EIGHTY MAIDEN LANE NEW YORK, N. Y.

Digitized by Google

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

QUEEN

Ins. Co. of America.
NEW YORK.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$5,000,000.00
Cash Assets	22,481,250.34
Total Liabilities	10,571,860.45
Net Surplus	6,909,389.89
Surplus for Policyholders	11,909,389.89
Losses Paid in 95 Years	138,501,348.36

WM. B. CLARK, President.
Vice Presidents:
HENRY E. REES, A. N. WILLIAMS,
E. J. SLOAN, Secretary.

E. S. ALLEN, GUY E. BEARDSLEY, RALPH B. IVES, } Assistant Secretaries
W. F. WHITTELSEY, JR., Marine Secretary.

WESTERN BRANCH, 175 W. Jackson Boulevard, Chicago, Ill.
THOS. E. GALLAGHER, Gen'l Agt.
L. O. KOHTZ, Asst. Gen'l Agt. and Marine Gen'l Agt.

PACIFIC BRANCH, 301 California St., San Francisco, Cal.
WM. H. BREEDING, Gen'l Agent.
E. S. LIVINGSTON, Asst. Gen'l Agent.

MARINE DEPARTMENT:
CHICAGO, 175 W. Jackson Boulevard. NEW YORK, 63-65 Beaver St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.
SAN FRANCISCO: 301 California Street

Company's Office Building.

Prevent Losses

by using our special short form bond, which guarantees absolute protection against dishonesty, either directly or through connivance with others.

This bond is issued in Individual or Schedule Form and covers Officers, Employees and Field Force. Write for a copy and our Special Proposition for Insurance Companies.

American Surety Company

OF NEW YORK

Home Office: 100 Broadway, New York

The Largest Surety Company in the World

Branch Offices at Larger Cities: Over 11,000 Agencies Elsewhere

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JAN. 1, 1914

Assets, ...	$2,009,892.00
Capital, ...	500,000.00
Surplus to Policy Holders,	1,108,033.00

EDGAR J. HAYNES, PRESIDENT

THOMAS L. FARQUHAR, SECRETARY

The Oldest Fire Insurance Company in New Jersey.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength

Incomparable Dividends

Maximum Benefits

Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL

$2,000,000

RESERVE FOR ALL OTHER LIABILITIES

10,479,063

NET SURPLUS

9,245,855

ASSETS

21,724,918

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions

Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.

Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.

Specimens of Life, Accident or Health policies cheerfully furnished.

For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur B. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.

JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.

WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES

100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.

E. J. PARMELEE, Special Agent, Syracuse.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00

SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance

Commercial and Industrial Departments

Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

FIDELITY (FIRE) UNDERWRITERS of New York

Combine the assets of two of the largest companies with the highest sense of liberality and fairness.

Combined Assets $42,586,574

Policyholders' Surplus $23,743,555

Home Office:
80 Maiden Lane, New York

Western Office:
332 South LaSalle Street, Chicago

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

Purely Mutual — Chartered 1857

The

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

INSURANCE IN FORCE, $1,304,385,035

SATISFIED POLICYHOLDERS to the number of 13,073 (out of 45,862 persons applying) purchased additional insurance in 1913.

NORTHWESTERN POLICIES are easiest to sell and stay longest in force.

AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.

INCOME INSURANCE
CORPORATION INSURANCE
PARTNERSHIP INSURANCE

It Will Pay You to Investigate Before Selecting Your Company

Write to H. F. NORRIS, Superintendent of Agencies
MILWAUKEE, WISCONSIN

LARGE "DIVIDENDS"
LOW COST
SERVICE POLICY

P539

SOME FIGURES

from statement as of January 1, 1914.

Admitted Assets . . .	$6,126,666.23
Surplus and special funds .	867,056.17
Capital	100,000.00
Paid to Policyholders in 1913 . . .	$921,942.02
Since organization .	8,110,564.08
Business in force . . .	$46,442,058.00

THE FRANKLIN HAS NEVER

1. Lost a dollar in the investment of its funds.
2. Lost a dollar of interest on any investment.
3. Closed a year with a dollar of principal or interest in default.

THIS RECORD BRINGS GOOD AGENTS TO THE

FRANKLIN LIFE, Springfield, Illinois

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MARCH 7, 1914. No. 10.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

IT is obvious that the policy of the fire insurance companies doing business in Kentucky will be to wait until the State Insurance Board takes some action under the Glenn-Greene law, hostile to the interests of the insurers, before suspending business in whole or in part. The law becomes effective ninety days after the adjournment of the legislature, and there is ample time ahead, therefore, to ascertain the intentions of the State officials. Perhaps the officials will be pervaded by enough common sense to do nothing radical or otherwise until after the investigating committee of three authorized by the law shall have made its report. The course of the investigation will probably indicate the nature of the report. In the meanwhile the companies can let it be known to the people of the State that they will be forced to stand upon the fundamental principle of adequate rates on all kinds of business. As any deviation from that would mean ruin, it will be seen that but one possible outcome in fire insurance conditions in Kentucky is ahead. The companies can arrange to be ready to meet it when it arrives. They have demonstrated in the cases of Arkansas and Missouri that they can command the situation when they choose to do so.

AN old adage proclaims that it is always darkest just before the dawn; and if this be true, then a great light is due to break, not only in Kentucky, but in several States in this country, including Mississippi. While at this writing there is no advice that Governor McCreary has signed the objectionable Glenn-Greene legislative enactment in Kentucky, there is every expectation that he will do so, and it is regarded as settled that in due time the companies must be in readiness for a state of siege. Just how, remains for the individual companies to settle. It should be such a stand as will enlighten the citizens, even the politicians, to the highest possible degree in the shortest possible time. Missouri, demanding to be shown, was satisfied in short order. And now comes Mississippi modestly forward with a weapon of less formidable size, but of no smaller degree of sharpness, ready to take her thrust at the companies by means of a law making it unnecessary for an applicant for insurance to own anything to insure. The fact that the whole principle of insurance is based on the indemnifying of an owner for actual loss is ignored, and Mr. Bramlette, the author, and his associates would have it made possible for the companies to be deprived of this restriction in the fire policy. In other words, legislators are demanding everywhere that the service which insurance is rendering to the country shall be curtailed. "Business is business!" Of course. But the successful business man is also an idealist, and the institution of fire insurance can see beyond the comfortable home and the neat business place where fire seems impossible to the day when disaster will probably come, and it offers their owners indemnity— nothing more. It has learned by experience the lesson of the incendiary, the crooked adjuster, the careless man and the vicious legislator, and it conducts itself accordingly. Business, from a fire insurance standpoint, is a constant war against these evils. And General Sherman has given us a vigorous definition of war.

THE faith of Mr. Kingsley in the ultimate establishment of Federal supervision of insurance survives the repetition of the adverse action of the Supreme Court of the United States, and he has appealed by letter this week to practically all the insurance companies to support the legislation introduced in both houses of Congress providing for a constitutional amendment, to be submitted to the States of the Union for passage, affirming that insurance is commerce. Mr. Kingsley says that it now seems probable that we shall never reach the condition that is desired by any shorter and surer process than an amendment to the Federal Constitution, declaring specifically that the insurance business is commerce; and most lawyers, he thinks, agree that, with such an amendment as a part of the Constitution, the only authority, other than the State in which an insurance company may be domiciled, able to tax and supervise an insurance company will be the Federal Government. Mr. Kingsley's position about the supervision of insurance from the State rights' point of view has been so often discussed that its probability need not be repeated here; but he and his fellow-Federalists are so ardent in pushing the idea and show so little disposition to abandon it until the question is settled that we cannot help expressing the wish that the experiment of testing the willingness of the States to abandon their rights of taxation and regulation over insurance, which would follow the adoption, should be tried by the passage of the joint resolution in Congress for the submission of the amendment. However desirable only one source of official supervision of insurance may be, it has always seemed chimerical to expect that the States in sufficient numbers would abandon their right of control and turn it over to the General Government. They have been strenuously backed by the highest legal tribunal, and their representatives in Congress have never hitherto evinced any disposition to sup-

Digitized by Google

port a constitutional amendment affirming exclusive Federal supervision of insurance corporations outside the States of their creation. But the question is likely to be agitated by such influential and powerful public men as President Kingsley until it is settled in Congress, and it is to be hoped that such insurance companies as favor one Government supervisory power—and we do not doubt that a large majority of the companies are so disposed—will unite with him in urging the adoption of the Weeks-Peters resolution in Congress. Then let the States be asked if they will, by the adoption of the amendment, give up their power of prescribing the terms on which they will permit other than domestic insurance corporations to transact business within their State lines.

Fire Insurance.

A Chicago dispatch gives the following account of the settlement of the **Michigan ruling regarding underwriters' annexes:** "John T. Winship, Commissioner of Insurance for Michigan, to-day made the following statement:

After a conference with David Rumsey, of the Continental Fire Insurance Company, J. H. Stoddart, of the New York Underwriters, and O. B. Ryon, of the National Board of Fire Underwriters, a plan has been agreed upon whereby the companies having underwriters' agencies will comply with the ruling of this department of February 10, relative to non-resident agents, brokers and underwriters' agencies.

The main feature of the plan is to so adjust matters that the underwriters will be recognized as purely departments of the companies. Policies and forms are to be so remodeled that there can be no question that such is the case. The details of the plan will be prepared at an early date.

"It is reported that if the Michigan ruling against non-resident agents and brokers stands, the State will lose at least half a million dollars in premiums, which now pay taxes in Michigan and a commission to the local agents, which will be placed in unadmitted companies. It has also been suggested that if Michigan agents are unwilling to divide commissions with agents of other States who control the lines, it would be proper for the Chicago agents to refuse to pay commissions to Michigan agents on Michigan-owned business in Chicago. There are large amounts of property in Chicago, especially in automobile and manufacturing lines, from Michigan which are controlled by agents in that State, and on which Chicago agents pay the regular brokerage."

The engineers of the National Board of Fire Underwriters have issued reports on the **fire hazards of Perth Amboy, N. J., and Syracuse, N. Y.,** this week. Of Perth Amboy they say:

In the principal mercantile district buildings are low, streets of fairly good width and areas small, but construction is very weak, from a fire prevention standpoint, and the overhead wire obstructions serious; the fire department is an untrained volunteer force, poorly equipped, and further handicapped by an inadequate water supply, a fire alarm system having several unreliable features, and by frequent high winds; there is no private fire protection and the conflagration hazard is severe. In the wharf and manufacturing district serious group fires are probable, and during high winds there is danger of a fire sweeping the waterfront. Other districts consist largely of frame buildings, many with shingle roofs; considering the generally poor public protection, sweeping fires are probable.

Regarding the situation at Syracuse, the report says:

In the congested value district, construction is chiefly joisted brick with its inherent hazards poorly guarded. Many blocks are large, and most of them are congested. High winds are frequent, but there are several open spaces and groups of fireproof and sprinklered buildings and two wide streets. Water is available in sufficient quantity for engine supply. The fire department is efficient and fairly well equipped, but rather weak and handicapped by grade crossings and canal bridges. The fire alarm system is unreliable and inadequate, but is being greatly improved. Many hazardous occupancies are sprinklered, but many others are not. Serious fires involving groups or entire blocks are probable at several points, but a general conflagration is unlikely to occur. Manufacturing buildings are mainly sprinklered and not liable to conflagrations. In minor mercantile districts only local conflagrations are probable. Sweeping fires are probable in the compactly built shingle-roofed frame residential sections.

The *Journal of Commerce* makes the following **comment** on the proposition which has been incorporated in one of the bills under discussion as this paper goes to press at the New York office of the New York Insurance Department, as printed elsewhere in this issue: "The Superintendent of Insurance gives a hearing at the New York office of the Insurance Department on a proposed bill purporting to allow reinsurance companies to write several different kinds of business now not permitted to be written by the same company. Carefully read, however, the bill, if it becomes a law, would give this privilege, as far as existing companies are concerned, exclusively to the First Reinsurance Company of Hartford and to a few European companies organized solely for reinsurance business. Not one of the many other foreign companies now writing only fire reinsurance business in the United States would have the privilege, neither would the only New York company, which confines its business solely to reinsurance, even if it quadrupled its capital and surplus. There seems to be no good reason why direct companies should not be allowed to write as many classes as any reinsurance companies, but this bill would not widen the scope of even the largest New York fire insurance companies in the slightest degree. In other words, the greatest New York fire insurance company could not have the same privilege granted by the bill to, for instance, even the South German Reinsurance Company, of Munich, Germany."

The Insurance Society of New York reports the following **additions to its library** during February:

Marine Insurance, Frederick Templeman, 1912.
Model Fireproof Farm & Country House, A. L. A. Himmelwright, 1913.
Casualty Inter-Insurance Exchanges, B. V. Hubbard, 1914.
Workmen's Compensation in Great Britain, Launcelot Packer, 1912.
New York Times Index—Oct.-Nov.-Dec., 1913.
Actuarial Society of America. Transactions, May and October, 1913.
American Institute of Electrical Engineers, Year Book, 1914.
Ohio Legislative Insurance Commission. Report, 1913-1914.
Institute of Actuaries (Great Britain) Journal, January, 1914.
International Association of Fire Engineers, Proceedings, 1913.
Insurance Institute of Liverpool, Transactions, 1909-1910.
Insurance Digest, Vol. 26, G. A. Deitch, 1913.
Catskill Water Supply, Financial Report, 1913.
Crosby-Fiske Handbook of Fire Protection, 1914.
Fire Insurance Pocket Index, Spectator Co., 1914.
National Association of Life Underwriters. Proceedings, 1912 and 1913.

Number of visitors during February, **134.**

A contemporary, *Northwest Insurance,* indulges in some remarks as to the probable appointee for the office of **insurance commissioner in Minnesota** to succeed Hon. J. A. O. Preus in the event of his election as State auditor. The paper says:

Northwest Insurance is in a position to make the positive statement that Gov. Eberhart is already pledged as to the man he will name. This information comes from a source which may be practically considered beyond question.

Who is the Governor pledged to appoint?

This is not to be said at this writing. But it is interesting to surmise.

The present deputy insurance commissioner is Ira C. Peterson, an attorney, and one of Mr. Preus' right-hand men for years before they became associated in their present respective official capacities. As deputy, Mr. Peterson has had an opportunity to secure a valuable insurance training. He has always been "on the job," ever to be found at his desk each day from the time the office opened until it closed. He is conscientious, fair-minded, and the kind of a man who will give a fair hearing to one and all.

The Western department of the Hamburg-Bremen was brought **from Chicago to New York** on March 1, Conrad Witkowsky having retired as general agent on account of illness, from which he has suffered for a long time. The announcement by United States Manager H. N. Kelsey says:

Mr. Witkowsky has represented this company as general agent in-

Digitized by Google

dividually and as a member of the old general agency firm of Witkowsky & Affeld in the Western department territory for over forty years. He has been actively identified with all underwriting interests, both locally in Chicago and throughout the Western territory generally, through this long period of time. He has always been faithful to the trust conferred upon him by this company. He is held in high esteem by his associates and in affectionate regard by his special and local agents.

The supervising field force will continue as it is now and they will always be at your service. We request that you kindly advise them to direct or communicate withth e New York office regardinga ny matters of mutual interest.

The attempt to enact legislation in Massachusetts limiting fire insurance brokers in their activities in the installation of **automatic sprinkler outfits** in connection with the placing of the insurance on the plants so improved by the broker calls to mind the ruling made by the New York Insurance Department on this question in October, 1912, when Insurance Superintendent Emmet addressed the following letter to P. C. Ralli & Co., of New York:

This department * * * has approved as not in violation of law, contracts involving the installation of sprinkler leakage plants by insurance brokers who undertake to furnish insurance and pay for the apparatus installed out of payments contracted to be made by the property owner covering a definite period of years at the rate of premium heretofore paid by the property owner for insurance alone.

The decision in the **Kansas State rebating cases,** which was looked for last week from the United States Supreme Court, is now expected to be delayed for several months. In view of the attitude of the court, which has denied the application to join the Kentucky and Kansas cases, stipulation has been reached with the attorney-general of Kentucky under which the appeal in the Kentucky decision is postponed for argument until the October term of court. It is hoped that a decision will be rendered in the meantime on the Kansas case, and if this upholds the contention of the companies that the State rating laws are unconstitutional, it will dispose of the Kentucky case also, thus saving the cost of briefs, arguments, etc.

We have received Volume XXVI of the **Insurance Digest,** published by the Rough Notes Company, Indianapolis, embracing all decisions in insurance cases in any way affecting insurance companies or their contracts during the year ending October 31, 1913. The book is well up to the previous work of its compiler, Guilford A. Deitch, who is now being assisted by Frank G. West, and it will doubtless be found in the library of every active insurance company. Of the 626 cases during the year in which companies were directly involved the companies were successful in but 28.4 per cent. of the cases in the trial court and in but 42.1 per cent. of the cases on appeal. As usual the fire insurance cases predominated in the reports.

One of the most interesting meetings of the **Barebones Alumni Association** was held Tuesday evening, when Nelson D. Sterling and E. G. Bogart talked on plate glass and burglary adjustments. Mr. Sterling pointed out the advantages of the coverage of a plate glass policy over the protection furnished by an ordinary fire insurance policy, while the conditions surrounding residence burglary insurance were clearly explained by Mr. Bogart. The association's season, under the able guidance of President George H. Holden, has been productive of many instructive addresses, and the members have exhibited strong interest in the work.

The West Virginia insurance commissioner, in the latest bulletin from his department, **warns against soliciting in advance of the granting of a license.** He says:

It appears to be the practice of some companies and general agents to instruct a local agent with whom they have contracted to begin work and that State license will be applied for. A local agent obeying such instructions does so at his peril, because until the State license is issued he is not protected by his contract with the employing company, as against the statute which explicitly requires a State license as a condition precedent to soliciting.

The same is true of the appointment of solicitors by local agents.

It will be noted that the employer giving such instructions also renders himself liable for violation of law.

Changes in insurance journalism have been announced within the past few days as follows: P. J. V. McKian, formerly with *The Argus,* has become associate editor with Thomas R. Weddell on the *Insurance Post.* Editor John C. Piver has sold his paper, *The Underwriters' Report,* to The Underwriters' Report, Inc., and will remain as business manager. *The Insurance Investment News* of Los Angeles, which passed into other hands when its editor, Garner Curran, was made publicity manager of the World's Insurance Congress, is preparing to change from a semi-monthly to a weekly paper.

The **Alabama laws regarding rebating** are being strictly enforced, according to the latest bulletin of the insurance department. A paragraph on the subject says:

Investigation by the department on account of rebating has led to the cancellation by the department of a life insurance agent's commission, as provided by law, and reporting to the solicitor of the circuit in accordance with law, rebating by a fire insurance agent. Several other alleged cases of rebating are at this time being investigated thoroughly. Agents and parties in interest are requested to report to this department any violations of the statutes of this State in reference to rebating.

The **mid-year meeting of the National Association of Insurance Agents** will be held in New York next Wednesday and Thursday. Following this meeting the officers of the association, including President Hildreth, Ex-President Taylor and Secretary H. H. Putnam, will go to Atlanta to attend a meeting of State association officials and members to be held at Atlanta March 14. A number of important matters are expected to come up at the New York meeting.

Elaborate preparations are being made for the annual spring dinner meeting of the **Insurance Society of New York** on March 24, at which time the speaker will be Vice-President David Rumsey, of the Continental, whose subject will be "The State and the Insurance Company." A large number of prominent guests are expected. An address on "Grain Elevators" is to be given before the Round Table Order of the society at the library next Tuesday afternoon at 5.15 o'clock by John E. Curton, of the Phoenix Assurance.

The **fire loss ratio in Mississippi** for the year ending December 31 was 66.7 per cent. This is the average taken from the reports of all companies operating in the State, except two small ones, whose figures will not materially change the ratio. While this is a considerable falling off from the figures given out a few weeks ago, being 77.3 per cent., yet the past year's losses were the heaviest for several years. The companies writing automobile, for the most part, suffered heavily on this line.

The New York Underwriters Agency announces the following **changes** in Western territory: Arthur T. Ranus is transferred from southern Illinois and is succeeded by Milton H. Grannatt, transferred from Missouri. Roy W. Smith continues with the company and will now have charge of St. Louis and eastern Missouri, with headquarters at St. Louis. Arthur A. Kropp, formerly with the Illinois Inspection Bureau at Mount Vernon, has been appointed assistant to Mr. Smith.

The **next meeting of the Western Union** is to be held in Philadelphia in April, and the following committee has been named to prepare the programme: S. T. Collins, of the Providence-Washington, chairman; M. F. Driscoll, Phoenix of Lon-

Digitized by Google

don; P. K. Kelsey, Sun of London; C. R. Street, Fidelity-Phenix; Milton Dargan, Royal; C. A. Ludlam, Home, and G. H. Batchelder, Rochester German Underwriters.

The fiftieth annual meeting and dinner of the **Hartford Board of Fire Underwriters** was held on February 26. There were eighty attending, and among the speakers were some of the most prominent fire insurance men in Connecticut. Silas Chapman, Jr., was present as the oldest member, having been active in the board for forty-four years.

The **fire commissioner of Boston,** Charles H. Cole, has resigned on account of differences with Mayor Curley, and John Grady has been named to succeed him. Mr. Grady was formerly senior deputy chief of the fire department. The salaries in the department have been reduced all around as part of a plan to cut down expenses in Boston.

It is announced that the Cotton Insurance Association will hold its spring meeting in New York on March 10, and that the executive committee of the South-Eastern Underwriters' Association **will meet in New York** on March 11. These meetings were changed to New York at the request of some of the Eastern members.

Officers of the **Florida Fire and Casualty** company of Jacksonville were elected at the annual meeting as follows: Henry Gaillard, president; Charles Blum, vice-president; E. A. Groover, secretary and treasurer; C. B. Willis, general manager of the fire department; George W. Carr, manager of the casualty department.

A resolution is before the ways and means committee of the lower house of the **New York** legislature to provide for an **investigation** of the value of the laws pertaining to fire prevention and the like. The proposed commission is to have power to procure witnesses and to examine all records, etc.

Headquarters have been fitted up in the San Francisco Exposition building for the **World's Insurance Congress** and the deputy commissioner and executive secretary, Garner Curran, can be found there hereafter. He is engaged in completing the composition of the various committees of the Congress.

The **People's National** of Philadelphia has elected Secretary Henry T. Alley to be also vice-president. Since the death of the late Louis S. Amonson, Mr. Alley has practically reorganized the company, and its affairs are in a very satisfactory condition, for which Mr. Alley is entitled to a great deal of credit.

Boston fire insurance premiums received in the last six months of 1913 aggregated $2,118,006, against $2,273,469 received in the corresponding period in the previous year. The Royal led with $87,838, and the next two following were the Liverpool and London and Globe, $75,587, and Home, $74,459.

The nominating committee of the **New York Fire Insurance Exchange** has recommended the following names to be voted for at the election on March 11: For president, George W. Hoyt; for vice-president, Frederic C. Buswell; for secretary and treasurer, A. M. Thorburn.

The **Arkansas law** requiring the filing of a schedule of rates by the companies has been **attacked** by the Arkansas Wholesale Grocers' Association, which announces that it will exert all its power to have the law repealed at the next session of the legislature.

The insurance firm of Swatland & Brown, of Newark, has been put **in the hands of a receiver** on account of the disappearance of one member of the firm. The list of creditors includes a number of insurance companies and agency firms.

On account of the decision in the Allegheny County Board case the Philadelphia Board of Underwriters has also adopted new methods, and the **expense assessment has been increased** from 1½ to 2 per cent. to meet the increased cost.

The National Board of Fire Underwriters has sent out **new lists** of approved fire appliances and of approved gas, oil, mechanical and chemical appliances. These are revised semiannually and the latest lists are as of January 1.

The annual meeting and election of officers of the **Fire Brokers' Association of New York** will be held on March 18. John A. Dohrman is chairman of the nominating committee.

The **St. Louis Fire Prevention Bureau** has elected H. M. Blossom as president, Frederick Kreismann as vice-president, and C. L. Kence as treasurer.

The **losses by lightning** in Illinois in 1913 were approximately one million dollars. The State fire marshal is getting up a bulletin on the subject.

The **Connecticut Fire** has been licensed in Mississippi.

Life Insurance.

An **organization** to promote the interests of Federal control of insurance is **suggested** in a letter which has just been sent to all insurance executives of companies engaged in interstate insurance business by President Darwin P. Kingsley, of the New York Life. Mr. Kingsley has labored unceasingly to have insurance declared to be interstate commerce in order that it may come under Federal regulation. In the letter just promulgated Mr. Kingsley says:

A situation exists in Washington which calls, it seems to me, for quick recognition and united action by the executive heads of those insurance companies which believe in Federal supervision of insurance. A joint resolution is pending, introduced in the House by Mr. Peters and in the Senate by Senator Weeks, both of Massachusetts, providing for the submission to the various States of a constitutional amendment declaring specifically that the business of insurance between the States is commerce. This resolution was not introduced at my suggestion or with my knowledge.

It seems probable, in the light of our recent Deer Lodge County, Montana, decision, that we shall never reach the condition that some of us seek by any shorter or surer process than a constitutional amendment.

The question is, "Who's who" in the fight? I know that some executives, as well as some field men, fear that by Federal supervision we shall only add another to our existing causes of torment; but most lawyers I think will agree, if such an amendment as this is adopted, that thereafter the only authority—other than the State in which an insurance company may be domiciled—able to tax or supervise an insurance company doing an interstate business will be the Federal Government.

That interstate insurance shall be declared commerce seems to me to be rather the most important achievement for which we can strive in administration. That such an amendment will ultimately be adopted I believe. I am anxious to unite with all other executives who feel as I do in some fair and proper programme which will advance the passage of this joint resolution.

I venture to ask what your attitude is toward the question:

Do you believe that Federal supervision achieved through constitutional amendment is desirable?

Are you willing to join some proper organization the purpose of which is to forward the adoption of the pending resolution?

The eminent British physician, Sir James Sawyer, believes it is by no means a difficult matter for any normal human being to

Digitized by Google

live to **be a hundred years old.** He has recently declared that anybody can attain this age, unless killed by accident, if he or she will religiously observe the following eighteen "commandments of health":

1. Eight hours' sleep every night.
2. Sleep on your right side.
3. Keep your bedroom window open.
4. Have a mat at your bedroom door.
5. Keep your bed away from the wall.
6. No cold bath in the morning, but a bath at the temperature of the body.
7. Exercise before breakfast.
8. Eat little meat, and be sure that it is well cooked.
9. Drink no milk. (This applies to adults only.)
10. Eat plenty of fat to feed the cells which destroy disease germs.
11. Avoid intoxicants, which destroy the cells that combat disease.
12. Allow no pet animals in your living rooms, for they carry disease germs.
13. Live in the country if you can.
14. Watch the three D's—drinking-water, damp and drains.
15. Have change of occupation.
16. Take frequent and short vacations.
17. Limit your ambitions.
18. Keep your temper.

A London special dispatch describes a clash of arms in the British House of Commons on Monday between the Unionist leader, Wm. Bonar Law, and Lloyd George, the Chancellor of the Exchequer, over the **National Insurance Law** governing workmen's life and sickness insurance, of which the latter is largely the author. Mr. Law denounced the law as unsound. The cable dispatch says:

The Unionists argue that the actuarial calculations on which the act was based were unsound, for the reason that Mr. Lloyd George took as the basis of his estimate the experience of voluntary societies which workingmen had formed for mutual protection, and forgot that among the members of these societies there existed a strong feeling of loyalty which kept men from making demands upon the funds of a society unless it was absolutely necessary. No such feeling, it is pointed out, exists in an institution controlled by the State and maintained by compulsory contributions. The average insured person argues that as he is compelled to subscribe, he is entitled to have his money's worth, or, if possible, more, and the same men who used to boast that they never drew a penny out of their societies now openly glory in getting as much as possible out of the Government. With the increased administrative costs, the funds of many friendly societies are said to be becoming rapidly depleted, and they will soon have to face the necessity of giving reduced benefits if they are to retain their solvency. "All this," says *The Daily Graphic*, "is one of the curses of State action, which no Lloyd Georgian rhetoric will ever remove."

At the annual meeting of the **Western Union Life** of Spokane the following were elected for the ensuing year: R. Lewis Rutter, president; C. W. Winter, vice-president; R. Insinger, vice-president; W. M. McConnell, general manager; Charles Timblin, assistant general manager; J. N. Wright, secretary; F. H. Clausen, assistant secretary; Dr. C. S. Kalb, medical director; and Paul L. Woolston, consulting actuary. Three new trustees were elected as follows: J. P. McGoldrick, lumberman; R. B. Paterson, president large mercantile establishment; and W. G. Graves, well-known attorney.

The annual dinner of the **Maryland Fraternal Congress** was held at Baltimore on February 19. One of the principal topics for discussion was that of group insurance, and it was the verdict of those present as "unfair and unjust" in securing business in large numbers under the group plan. Resolutions were adopted opposing this form of insurance on the ground that it was "unfair and discriminatory" in obtaining new business and dangerous in practice.

The **Nevada Life** of Reno has decided to dissolve and a new company has been incorporated as the Nevada State Life, which will begin business with $100,000 capital. The officers are William McMillan, president; George R. Wanter, vice-president; W. M. Gardiner, secretary; W. L. Semenza, treasurer. Mr. McMillan is State treasurer of Nevada. The company will deal in all forms of legal reserve life insurance.

The author of the compulsory investment bill introduced in Mississippi two years ago, **Senator G. A. Hobbs,** has not been heard from in the present session until last week, when he modestly interposed a bill requiring life insurance companies having less than $15,000 of assets to deposit a bond for the benefit of policyholders. A report from Mississippi says that the bill is expected to die in committee.

The Virginia Association of Life Underwriters held its annual meeting at Richmond February 23 and elected the following officers: E. M. Crutchfield, of the Equitable Life, president; S. B. Love, first vice-president; W. W. Hardwicke, second vice-president; E. W. Marshall, secretary and treasurer. These gentlemen are ex-officio members of the executive committee with T. A. Cary and N. D. Sills.

A Maryland court decision in a case where the insured under a life insurance policy had assigned his policy to his wife, but the assignment was not discovered until after the death of both, was that the **assignment was valid** and that payment must be made accordingly, although the papers were found among the effects of the insured after his death.

The Fidelity Mutual Life has elected **J. B. Franks** as actuary of the company. Mr. Franks has been assistant actuary of the company for a number of years. He came with the Fidelity as an agent at Baltimore in 1898, going to the head office the following year. He is an associate member of the Actuarial Society of America.

The **North British and Mercantile** of Edinburgh has appointed Henry Norris Boyd, F.F.A., at present assistant secretary of the City of Glasgow Life Assurance Company, to take charge of the company's life business in Canada.

The **Life Underwriters' Association** of Webster County, Ky., has been organized at Henderson in that State with the following officers: W. T. Lamb, president; J. Bartlett, secretary; A. W. Fay, treasurer.

The **Original Ideal Life** is the name of a mutual assessment association which has been doing business at Jonesboro, Ark., since 1908, which has retired from business, taking its queer title with it.

The American National Assurance of St. Louis, which was **organized by osteopaths,** has been admitted to California to do business therein.

The Farmers' National Life of East Chicago, Ind., and the Continental Assurance of Chicago have **withdrawn from Mississippi.**

The medical section of the **American Life Convention** held its midwinter meeting at French Lick Springs this week.

The **Great Republic Life of Los Angeles** has appointed W. J. Clemens as agency director.

Digitized by Google

Casualty Insurance—Surety Bonding.

The **qualifying powers of acceptable sureties for Federal business** are shown in the quarterly bulletin of the Treasury Department as of March 1, which we give together with the figures for the same companies from the latest previous bulletin:

	November 15.	March 1.
Pacific Coast Casualty	$35,789.60	$35,570.85
Ætna Accident and Liability Company	* 207,726.12	* 205,585.77
Illinois Surety	* 56,519.21	* 55,859.82
Chicago Bonding and Surety	28,039.40	27,266.75
American Bonding	* 104,257.75	* 81,282.12
Fidelity and Deposit	* 532,860.97	* 482,732.55
Maryland Casualty	* 160,465.91	* 202,091.28
United States Fidelity and Guaranty	* 249,144.57	* 271,390.94
Massachusetts Bonding	* 126,201.04	* 135,383.81
New England Casualty	109,326.80	113,931.24
Equitable Surety	* 95,400.96	* 92,423.87
**Globe Surety Company	61,007.84	35,396.04
Kansas City Casualty	30,804.33	29,763.43
International Fidelity	54,342.96	55,906.13
American Surety	* 607,899.47	* 596,708.96
Casualty Company of America	86,683.94	81,862.42
Fidelity and Casualty	* 280,204.42	* 292,840.95
Globe Indemnity	* 124,345.31	* 124,682.12
National Surety	* 326,364.10	* 335,751.58
New Amsterdam Casualty	40,000.00	57,610.60
Royal Indemnity	* 125,195.56	* 140,001.67
United States Guarantee	69,637.35	* 72,459.15
Southwestern Surety	* 68,654.64	* 67,478.30
Southern Surety Company	* 76,794.53	69,848.47
Pennsylvania Surety	51,016.20	57,433.91
**Title Guaranty and Surety	* 122,201.25	* 103,446.85
American Indemnity	75,261.95	38,561.12
American Fidelity	39,688.85	49,538.64
Citizens Trust and Guaranty	48,389.63	46,472.14

The Guarantee Company of North America and the European Accident Company of London are given as the two reinsuring companies, their bond limit being $50,000 each. As to the March figures that are marked with asterisks the bulletin says:

* The assets of this company include deposits in this country, which the company has made for the protection of certain policyholders. The excess of these deposits over corresponding liabilities is subject to a lien under the conditions of the special deposits, which in certain contingencies would, it should be noted, remove said excess from the funds available to pay claims of general policyholders of the company.

** This company has ceased to write fidelity and surety insurance.

The Car and General of London has adopted a novel plan for the **rating of motor cars,** of which the chairman made the following explanation at the annual meeting of the company:

During the past twelve months the management has initiated new and original methods for rating private and business motor vehicle risks repectively. The departure we are making in the case of business motor vehicles is that we now quote what is practically a fixed rate for each type of vehicle, varying it, however, in accordance with the population of the center from which such business vehicle works, and at the same time almost ignoring the horsepower, and wholly so the value of the vehicle to be insured.

We recognize that a business motor vehicle necessarily has a limited working mileage radius and that the road traffic conditions of the home center must have a very important influence upon the risk to be run by an insurance company. With regard to private motor cars, our accumulated experience has proven to us, from a practical risk standpoint, that the value of a car is a negligible factor, and that there is no justification for increasing rates for each increase in horsepower. In consequence of such experience we are issuing a prospectus quoting only seven fixed rates for all cars of from 8 to 50 horsepower.

Certain doctors and workmen in France have been **convicted of conspiracy** to fraudulently obtain money from the insurance companies—the doctors through giving certificates, for the purpose of increasing their fees, by falsely declaring men to have been incapacitated for longer periods than they had been, and the men by willingly acting as malingerers and abettors. The last case of the kind as reported in *L'Argus* shows that this system had been adopted by a Dr. Kreis, of 118, Boulevard de Ménilmontant, Paris, and a workman named Gremilliès. It was proved that Gremilliès was working eleven hours per day during some of the period covered by the doctor's certificates. The Judge of the *Dixième Chambre correctionelle* condemned the doctor to six months' imprisonment *avec sursis* and the payment of a fine of 500 francs; the imprisonment, it is seen, will not be enforced unless he is again convicted of a similar offense. The workman has to be in prison for one year.

The financial statement of the **Globe Indemnity Company** appears elsewhere in this issue. It indicates continued and substantial progress during the company's second business year. The Globe is recognized as one of the chief factors of the casualty insurance business in the United States. The business written in 1912 was $2,125,740.06, which was increased in 1913 to $2,987,722.05, an aggregate for the two years of $5,113,462.11. This record is one that is unequalled in the history of casualty insurance in the United States. It is interesting to note that the Globe announces a reduction in 1913 of its already low ratio of pure employers' liability premiums. The surplus to policyholders of $1,256,186.25 and the support of the parent company, the Liverpool and London and Globe of Liverpool, Eng., is a substantial guarantee of its responsibility and permanency.

The receivers of the **Ætna Indemnity,** Colonel Theodore H. MacDonald, formerly Insurance Commissioner, and J. Bierney Tuttle, both of New Haven, have asked Judge Gardiner Greene of the Superior Court at Hartford for an order to authorize a compromise of certain claims against the Munich Reinsurance Company; to authorize the receivers to amend their report of allowance in reference to certain claims; for an approval of the semi-annual report of the receivers; for permission to pay certain bills of lawyers; for authority to pay a preferred claim of the United States; to allow the city of Columbus, Miss., to present a claim, and for an allowance for the receivers.

At the meeting of the **Detroit Conference** last week President Louis H. Fibel of the Great Eastern Casualty was designated as the representative of the organization on the National Council of the World's Insurance Congress and its delegate to the Congress. R. Berry Shorts was named as the temporary successor to W. G. Curtis as chairman of the Service Bureau, Mr. Curtis having resigned. It was strongly urged throughout the meeting that a better support be given the Service Bureau, and many companies announced their intention to co-operate in this regard.

The **National Civic Federation,** which has completed the organization of its **social insurance department,** has appointed the following committee on plan and scope: Frederick L. Hoffman, chairman, statistician; Sidney Blumenthal, manufacturer, Bridgeport; M. W. Alexander, of the General Electric Co.; J. W. Sullivan, New York; J. N. Redfern, superintendent of relief and employment departments of the Burlington railroad, and C. L. Close, of the bureau of safety and welfare of the United States Steel Corporation.

The **Travelers'** announces that L. Eastman Sawyer, who has been connected with the Hartford branch office of the company for a number of months, has been appointed assistant manager of the liability department at the home office district, under Manager Edward B. Field. Mr. Sawyer has been with the Travelers' for seven or eight years, having formerly been special agent and assistant manager at Bridgeport, Conn., assistant manager at Grand Rapids, Mich., and manager for several years at Worcester, Mass.

In addition to the field changes announced last week, the **London Assurance Corporation** has divided its New England field as follows: Maine, New Hampshire and Vermont remain in charge of the present special agent, John Loveitt; Massachusetts, Connecticut and Rhode Island will be under the charge of

Digitized by Google

William J. McEvoy, formerly special agent of the New Brunswick Fire, who joined the London staff March 1. Mr. Loveitt and Mr. McEvoy occupy the offices at 141 Milk Street, Boston.

A decree of the Massachusetts Industrial Board holding that **"injuries" are covered** by the Massachusetts workmen's compensation law and **not "accidents" only** has been upheld by the Supreme Judicial Court of Massachusetts. The decision will have a wide effect on workmen's compensation business, as the case in point was one where a workman lost his eyesight from an acute attack of optic neuritis caused by coal gas which he encountered while employed as a fireman in a cordage factory.

The **American Credit Indemnity Company** of New York, of which E. M. Treat is president, publishes its annual statement in this issue. The company has done an excellent business during 1913, and its financial condition is one on which it should be congratulated. Special reserve funds have been established in the interest and stability and soundness, after which the company shows a net surplus to policyholders of $547,217.31. The company has offices in all principal cities.

The **National Fidelity and Casualty** of Omaha has chosen David W. Armstrong, Jr., to be president of the company, following the resignation of A. V. Kinsler, and Mr. Armstrong will assume his new position at once. He was formerly secretary of the National Surety, and is regarded as one of the strong casualty underwriters of the present time. The business of the Armstrong Agency, Inc., will be continued as before.

A useful chart on workmen's compensation benefits payable under the laws of the various States has been compiled and published by Harrison Law, of Nutley, N. J. Mr. Law has arranged the various items for quick comparison, and he reports that the chart is being purchased by policyholders as well as by the insurance companies and agents. The chart sells at 25 cents per copy.

At the meeting of the **Plate Glass Underwriters' Association** on Wednesday, J. C. French, of the New York Plate Glass, was elected chairman to succeed Norman B. Moray, resigned, and E. B. Anderson, of the Royal Indemnity, was made vice-chairman. The resignation of the Preferred Accident was laid on the table for future consideration.

The **Hartford Accident and Indemnity** announces the acquisition of W. G. Falconer, who resigns as general counsel and claims manager of the General Accident to go with the Hartford company. He has had a wide experience, which will be of great value to Mr. Moray in organizing and administering the business of the new company.

The **Prudential Casualty** has appointed C. F. Davis as general manager, succeeding Thomas Bloomfield, who has been its general manager from the start, but retired to take other lines. Mr. Davis has been general superintendent and is well qualified to carry on the good work done by Mr. Bloomfield.

The Wisconsin Industrial Commission has **granted exemptions asked for by circus proprietors,** who claimed that their business is too hazardous for liability insurance companies to handle. The circus men agreed to abide by awards made by the Commission.

The **Texas Fidelity and Bonding** of Waco has elected officers as follows: Sam. Sanger, president; vice-president and treasurer, F. B. Wortmann; vice-president and general attorney, H. P. Jordan; vice-president, W. H. McCullough; secretary, Dan. Wise.

The original workmen's compensation act in Illinois has been **declared unconstitutional** by Judge Kavanagh in the Superior Court. A large number of cases under this act, which has been succeeded by a later one, will be affected if the ruling stands.

The **Old Line Life** of Milwaukee reports an increase in applications in its casualty department between January 21 and February 20 of over 800 per cent. over the corresponding period last year, and 125 per cent. increase over the previous month.

The **Southwestern Surety** furnished the $7,500 bond necessary to keep Frank Tannenbaum, the I. W. W. leader, from jail on a charge connected with the raiding of churches and hotels as the head of the "army of the unemployed."

The **Once-a-Year Club** of insurance journalists has decided upon March 16 for its annual meeting and dinner, which will be held at the Yale Club. Charles A. Jenney is president of the club and A. G. Hall is secretary.

A **$400,000 contract bond** covering the construction of a siphon between Brooklyn and Staten Island has just been written by the New Amsterdam Casualty. The usual reinsurances were effected.

The **London and Lancashire Fire** of Liverpool takes over the National Boiler and General of Manchester, Eng. The latter will be continued as a separate concern.

The **Interstate Casualty** of Birmingham, Ala., has **withdrawn from Mississippi.**

Personal.

AGENCY APPOINTMENTS.

Century of Scotland: Henry J. Ide, of Boston, general agent for Massachusetts.

Connecticut Mutual Life: Roscoe F. Warren, Kansas City, Mo., succeeding William F. Chevalier.

Fidelity Mutual Life of Philadelphia: Harry E. Thixton, general agent for Kentucky and Tennessee.

Georgia Home: J. C. Prioleau, at present connected with the Mississippi Advisory Rating Bureau, appointed special agent for Alabama, Louisiana, Mississippi and Arkansas, with headquarters at Jackson, Miss., succeeding J. A. Parrish, resigned.

Glens Falls: Merrill E. Smith, American Central, has been appointed agent for Wisconsin, Minnesota and the Dakotas, with headquarters in Minneapolis, succeeding S. S. Campbell, who died last week.

Hanover Fire and Norwich Union: F. J. Shanahan, special agent for Cook County, Ill., succeeding Richard Boegelsack, resigned.

Home Life of New York: H. R. Briarly & Bro., of Winchester, Va., general agents for Western Virginia.

Life Insurance Company of Virginia: Arthur F. Wilmer, general agent.

London Assurance: Herbert D. Haine, former special agent for the Continental in Iowa, special agent there for the London Assurance.

London Underwriters: Brown, Anderson and Young, Chicago, Ill.

Newark Fire: Walter E. Collins, special agent in Ohio and Michigan, succeeding J. H. MacFarlane.

Prussian National: Clark F. Hinman, State agent for Ohio and West Virginia, with headquarters at Columbus.

Sterling Fire of Indianapolis: Geo. W. Eymann, State agent for Indiana, succeeding Gus M. Wise, resigned.

Mr. Charles M. Turner, who was the organizer and for a number of years the president of the Security Mutual Life of Binghamton, N. Y., and whose resignation in 1907 was followed later by efforts to obtain re-control of the company, died at his home at Chicago February 20. He became general manager and third vice-president of the Federal Life of Chicago in 1908, but resigned after a couple of years on account of failing health. He leaves two sons.

Mr. Colin E. Sword, secretary of the Quebec Fire Assurance Company, of Quebec, has been appointed manager in Montreal of the London and Lancashire Fire, in succession to Mr. Dobbin. In his new capacity Mr. Sword will control the interests of the London and Lancashire Fire and its allied companies, the London and Lancashire Guarantee and Accident, the Quebec Fire, and the Mercantile Fire, in the Province of Quebec and the Maritime Provinces.

Digitized by Google

Mr. Conrad Witkowsky, who has retired as western manager of the Hamburg-Bremen, on account of ill health, had been in the local business in Chicago before taking the western general agency of the Hamburg-Bremen when it began business in Chicago in 1872. He is one of the surviving charter members of the Western Union, and in his more than forty years of service always stood for the best principles of underwriting.

United States manager C. Norie-Miller, of the General Accident, has announced the appointment of Edwin C. Markel to the position of claims manager for the United States, exclusive of the metropolitan district. Mr. Markel is a Cornell University graduate and a member of the New York State bar, and for some time past has held the position of assistant claims attorney with the General.

Mr. N. S. Head, associate State agent of the Fire Association in Minnesota, died March 5, at Fort Meyer, Fla., suddenly from heart failure. For several years Mr. Head had been spending his winters in Florida. He was formerly of the firm of Head & Walton, in Minneapolis, afterward going into the field for the Franklin of Philadelphia, and still later with the Westchester.

Dr. Frank Sargent Grant, for many years chief examining physician for the Equitable Life Assurance Society and subsequently for the Penn Mutual Life, died, after a short illness, on March 1. He was 62 years old, and had practiced in this city for thirty-five years. Dr. Grant was graduated from the College of the City of New York in 1873.

Mr. Charles J. Stoudinger, for forty-seven years connected with the American Fire of Newark, died of paralysis, at Newark, February 28, after an illness of two years, aged 71 years. He worked his way up from clerk to treasurer of the company, in which capacity he served many years. He was unmarried.

Mr. J. Warren Lytle, lately president of the Standard Life Insurance Company of Pittsburgh, died at Grafton, Pa., on February 24, after a short illness from pneumonia. He was born in 1854 and was for many years a prominent educator.

Mr. R. E. Turner has been appointed general agent at San Francisco for the casualty department of the National Life of the United States of America. James F. Allen has been appointed state agent for the accident department in Washington.

Mr. F. E. Kneeland, for the last three years manager of the reinsurance department of the National Surety Company, has resigned as of March 1, to enter the employ of the American Fidelity Company, at its New York office.

Mr. Stephen S. Campbell, special agent in Wisconsin and the Dakotas for the Glens Falls, died at his home at Chicago February 25 at the age of 60 years. He had been with the Glens Falls a quarter of a century.

Messrs. H. F. Dow & Son have resigned the general agency in Detroit of the Connecticut General Life, and it is temporarily in charge of George E. Risley, superintendent of agencies, from the home office.

Mr. Henry A. Furlong has been appointed State agent of the Insurance Company of the State of Pennsylvania for New Jersey and eastern Pennsylvania, succeeding the late Frank H. Ruth.

Mr. Sherman D. Andrus, formerly western manager for the Georgia Home, assumed his duties as president and managing underwriter of the Interstate Fire of Detroit on March 1.

Mr. James L. D. Kearney has been elected secretary of the Hartford Accident and Indemnity in addition to his duties as manager of the fidelity and surety department of the company.

Mr. Carl Koch, for many years an examiner in the Western Department of the Germania Fire, has been made second assistant manager of the company.

Mrs. A. J. Bard, aged 84 years, of Slippery Rock, Butler County, is the oldest insurance broker in Pennsylvania. She succeeded her husband six years ago.

Mr. John K. Norwood, a veteran insurance agent at Lawrence, Mass., and a veteran of the Civil War, died there February 24, aged 77 years.

Mr. A. W. Rader, secretary and treasurer of the Iowa State Traveling Men's Association, died last Tuesday at Des Moines, Ia., aged 55 years.

General Manager F. Norie-Miller, of the General Accident Assurance Corporation, will arrive here by the *Oceanic* about March 11.

Mr. Dexter H. Walker, a well-known marine insurance agent, died at his home at Jamaica, L. I., February 27, aged 79 years.

Mr. D. R. McLennan, of Marsh & McLennan, and Percy Chubb, of Chubb & Son, sailed for Europe on the *Olympic* Tuesday.

Mr. Bert C. Bobb, special agent of the American Central in Illinois, has resigned.

Miscellany.

IMPORTANT CONFERENCE ON INSURANCE LEGISLATION.

Meeting of Underwriters to Discuss Proposed Bills at the New York Office of the New York Insurance Department.

As this paper goes to press a conference is in progress at the New York office of the New York Insurance Department between Insurance Superintendent Emmet and executives of various insurance companies on two proposed bills which have been prepared for introduction in the present legislature.

The first bill proposes to omit from the present insurance law Section 16, the prohibition after the words "but no such funds shall be invested in or loaned on its own stock," as follows:

(Or the stock of any other insurance corporation carrying on the same kind of insurance business, except that any such company organized under section seventy of this chapter for the purpose of engaging in business principally as a surety company may, subject to the consent of the superintendent of insurance, invest such funds in or loan such funds on the stock of any other corporation carrying on the same kind of business outside of but not within the United States; provided, however, that the superintendent in determining the condition of any such corporation so loaning or investing such funds shall not allow it as an asset the amount of the funds so loaned or invested; and,)

Also to remove the prohibition at the end of the section, as follows:

(But nothing in this section shall be held to authorize one insurance corporation to obtain, by purchase or otherwise, the control of any other insurance corporation.)

Also to insert, after the words "acquire any shares of its own stock by gift, bequest or purchase" the following:

The superintendent, in determining the condition of any such corporation, shall not allow it as an asset the amount of any funds invested in or loaned on the stock of any other insurance corporation carrying on the same kind of insurance business.

The second bill to be considered is as follows:

AN ACT to amend Chapter 33 of the laws of 1909 entitled "An act in relation to insurance corporations, constituting Chapter 28 of the consolidated laws," in reference to incorporation and admission of reinsurance companies.

Section 1. Chapter 33 of the laws of 1909 entitled "An act in relation to corporations, constituting Chapter 28 of the consolidated laws," is hereby amended by adding thereto a new section to be known as Section 67, which shall read as follows:

Sec. 67. Incorporation and Admission of Reinsurance Companies.—Thirteen or more persons may become a stock corporation for the purpose of transacting the business of reinsuring one or more of the kinds of insurance permitted by the law of this State by making and filing in the office of the Superintendent of Insurance a certificate signed by each of them stating their intention to form a corporation for the purpose of transacting the business of reinsuring one or more of the kinds of insurance permitted by the law of this State and setting forth a copy of the charter which they propose to adopt, which shall state the name of the proposed corporation, the place where it is to be located, the kind or kinds of insurance to be reinsured, the mode and manner in which its corporate powers are to be exercised, the manner of electing its directors, a majority of whom shall be residents of this State and each of whom shall be the owner in his own right of at least $500 of the stock of the corporation at its par value, the time of such elections, the manner of filling vacancies, the amount of its capital and such other particulars as may be necessary to explain and make manifest the objects and purposes of the corporation. Such certificate shall be proved or acknowledged and recorded in a book to be kept for that purpose and a certified copy thereof delivered to the persons executing the same. Upon receipt of the certified copy of the certificate of incorporation from the Superintendent the persons signing such certificate shall publish notice of their intention to form such corporation in a paper designated by the Superintendent of Insurance for six successive weeks, upon expiration of which time they may open books to receive subscriptions to the capital stock and keep them open until the whole of such stock has been subscribed for and collect such subscriptions to the capital stock. No such corporation shall transact any business until the capital has been fully paid in in cash. Every such corporation shall be known as a reinsurance corporation.

A reinsurance company incorporated under this section shall not have power to reinsure the entire liability of any company nor the entire amount of any risk which it reinsures.

No such reinsurance company shall be organized with a less capital and surplus than the aggregate of capital and surplus required by the law of this State for every kind of insurance which by its articles of incorporation it is permitted to reinsure; provided that the capital required in the case of a corporation incorporated to reinsure all of the said kinds of insurance, except employers' liability and workmen's compensation insurance, need not exceed $500,000 and the surplus need not exceed $250,000, and further provided that the capital required in the case of a

(*Continued on page 205*)

Digitized by Google

The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, MARCH 7, 1914.

ARTIFICIAL FLOWERS AND FEATHERS.

Processes of Manufacture of These Millinery Trimmings Described—Hazards Pointed Out—Susceptibility of Stock to Damage.

By Walter O. Lincoln, Inspector, New York City.

When the belles of Fifth Avenue have their hats trimmed for the Easter parade, they give no thought to the poor girls who have labored for months to supply the Easter demand for "trimmin's."

The art of flower making in this country has been copied from the French and German. There has been little change in the method of manufacturing in several years.

It is one of the few trades for women which has not been revolutionized by machinery and should attract women of artistic taste. The length of season is from three to eight months, the busiest time being September and October; January and February depending upon the "will and fashion of women."

There are two distinct types of shop—either the large loft or a floor in a converted dwelling in a run-down section of the lower West Side of Manhattan. One-third of the shops are in the latter class, which seem unsatisfactory for the purpose intended. One-half of the industry is carried on in tenements by home-workers, who receive from twenty to twentyfive cents a gross for assembling flower sprays, consisting of stem, bud, pep and leaves. About four gross can be made in a day. The shops pay from six to fifteen dollars per week, according to expertness and demand for help and the quality of goods made.

LEAVES.

Plain green leaves are by far the simplest thing made in the trade. Usually it is a separate business, though many firms combine this with other products. They are made of muslin, sized with gum arabic and glycerine. The more expensive ones are sized with castor oil, olive oil, gelatine and paraffine, which softens the texture, after which they are varnished or shellaced by hand or machine. Acetone, amyl acetate, turpentine or benzine is used for thinner. The sheet muslin is cut into squares of about four feet; tacked to a four-sided wooden frame; painted with aniline green, thinned with water or alcohol; dried and removed from the frame. The muslin is placed on several thicknesses of newspaper on a heavy sheet of lead, and the leaves cut out by hand. The operator strikes the die with an iron rawhide covered mallet, weighing six to twelve pounds. As many as two dozen leaves are cut out with one blow. The newspapers and lead prevent the edges of the die from turning. The stems of chenille wire are then pasted on with fish glue or cold flour paste.

The ribs and veins are formed by pressing the leaves in hollow dies, lined with paper or felt to prevent the impression of the stems showing on the opposite side. The press is similar to an ordinary letter copying press, with screw and wheel. The dies are of two kinds: either stationary and heated by gas burner or a wooden handled portable die is used on a portable iron plate, which is heated and placed under the screw. The presses now used are all iron and far superior to the wooden bases formerly used. It is claimed on good authority that the gas heated presses are injurious to the health of the operators, who are required to sit many hours with the lower limbs extended under the press with gas burner near by, which overheats the abdomen and causes stomach trouble. Many of the more humane manufacturers use the portable die with heated plate. This serves the purpose, as only sufficient heat is required to warm the die.

The autumnal colorings are produced by various means. Before the muslin is removed from the frame it is irregularly slashed with a darker hue of varnish, which gives the finished leaves the peculiar dark markings of the autumn beech or maple leaf. An air brush with aniline colors and a drop of gall added for setting is also used.

The poinsettia, so much in vogue during the Christmas season, is usually made of velvet faced muslin. The velvet is pasted on the muslin and both cut out at one time. They are always red; but other velvet faced flowers are tinted and shaded as above described. Excess coloring is removed with benzine and shading is done with a rubber stamp.

Holly leaves, made of soft, heavy paper, are dipped or painted with liquid bronze, thinned with banana liquid.

Paraffine coating (called "waxing") is used as a preservative on flowers and leaves.

Tinsel, made of ground glass and mica (imported from Germany) is sprinkled on leaves and Christmas greens to represent "frosting" or "snow."

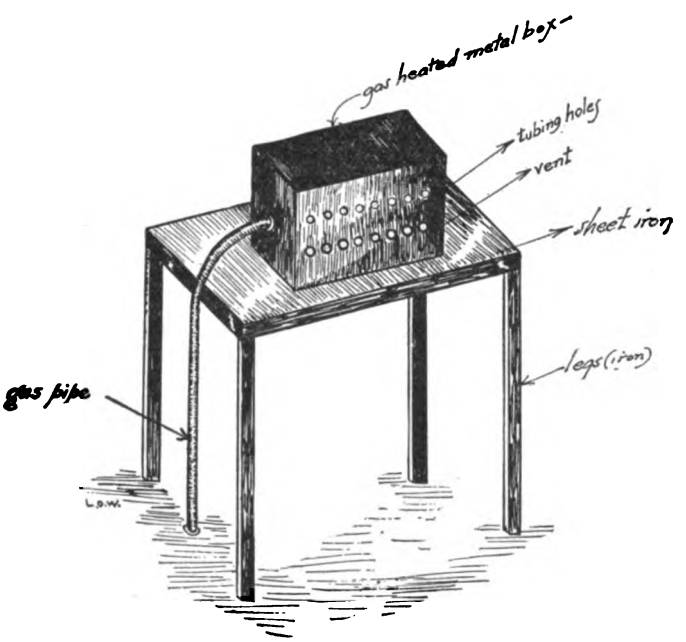
Leaves are dipped in "fecule" (French for mixture of corn starch and potato flour) to produce the soft face of the chrysanthemum and for "dew."

Celluloid is very seldom used for leaves.

TUBING

is the hollow muslin stems. The muslin is sized with warm boiled oil passed through a wringer, cut into strips one-fourth to one-half inch wide, wound on a wooden frame and drawn through the "tubing" machine to a wooden reel. This machine is of iron frame, the number of burners governing the size. For a single burner, the base will be about 8 x 30 inches, set on 3-foot iron legs. On the center of the base is a metal box with gas burners beneath. On each of the long sides of the box are two rows of holes, one above the other. The top one, through which the muslin passes, is smaller than the lower vent hole. The strips would not retain the curl if not heated—hence the gas burners.

Some firms use a dyeing machine. This is simply a tank of cold aniline and water stain with wringer and drying frame.



Tubing Machine

Digitized by Google

DRYING.

Leaves and tubing are dried on the frames before being cut. It is exceptional to find an approved drying apparatus. Large factories may have an entire floor for drying purposes heated by coal stoves. The smaller firms invariably use coal stoves, around which are placed the frames with, or without, wire guards or screens. Wood or metal gas-heated dry boxes are familiar.

FLOCK TUBING

is the name given ordinary tubing after being coated in warm boiled linseed oil or varnish and covered with hair or wool flock while wet. The strips while on the wooden frame are set in wooden tumblers operated by hand and are covered while the tumbler is in operation. This produces the downy, hairy stem (called "tomentose" by botanists) of the moss rose, begonia and some species of geranium.

CIROLEUM TUBING.

"Ciroleum" is French for wax and oil. The mixture is glycerine and gelatine, to which is added small seeds. It is the dark flexible tubing resembling rubber and used on the better grades of foliage. The mixture is heated by gas or steam, poured into a small metal tank located on top of a wooden frame surrounding a wire arrangement (see sketch) resembling a squirrel cage set on end. The ciroleum falls by gravity through small holes in a thick, paste-like liquid, and as it falls covers heavy steel wires in an upright position on the revolving wheel. The cage is turned until all the wires are covered. The wires are coated with talcum to prevent sticking. One firm covers ordinary tubing with ciroleum for a stiffer material.

Tubing for wreaths is "cross-hatched" between two rows of nails driven a few inches apart on a flat board, tied and cut at regular intervals between alternate nails.

FLOWERS.

Nearly all our natural flowers are reproduced by flower makers. As they are legion, only a few of each type will be mentioned, the process of manufacture being the same.

The most popular flower is the rose. The pollen stem, calyx, and petals are made separately. Silk is mostly used for rose petals and pansies, although a great many are made of velvet, woven gold thread and brocaded cloth. The petals are cut the same as leaves. In some shops a power press uses twelve dies at one operation.

The variegated colors are made by one of the following processes: Stencils (a different one for each color), air brush, hand brush or medicine dropper. Aniline colors are used. The excess color is blotted by hand. If the petals are a solid color, a press resembling a wine press, with an open side and trough beneath to catch the drippings, is employed.

"Goffering" and "crimping" follow. A "goffer" is a gas-heated tool with a ball end and short wooden handle. The petal is placed over a round hole in a piece of wood, into which it is pressed by a warm goffering iron, the result being a curled rose petal. The ends are creased, called "gripping" or "pinching," in a small gas-heated crimper, operated by hand.

Rosebuds are made of small oblong pieces of silk, silk ribbon, chenille of various fancy kinds and raffia. These are assembled by experts. A wide table is used, on which is placed small piles of the necessary materials in front of each of the workers. The flower is made up in the following manner: The pep (flower center) or a rose bud, of the proper color and variety, is selected. Around this center the petals and calyx are arranged, then wired. The wire stem is wrapped in rubberized paper. There is no hazard attending the process of assembling.

VIOLETS, CARNATIONS AND CHRYSANTHEMUMS

are made of paper, stamped out the same as leaves. The chrysanthemum leaves are curled by hand with cold irons. The petals are bunched on wires and assembled with muslin leaves and bound with chenille. The violets and carnations are dipped in wax. The hazard here is the method of heating the paraffine. After dipping, the flower is shaken to remove the excess wax, and the wood-work surrounding becomes coated with the spattered wax. Some firms leave the walls bare, some use metal, and some asbestos paper on the walls.

PORCELAIN FLOWERS,

used for permanent decorations, as for cemetery plots, are imported from Germany. The cost of a complete rose, about 5½ cents including tariff, precludes competition in this country. The foreign workers receive about two dollars per week.

Metal flowers for cemetery wreaths are stamped out of tin, painted and soldered to wire frames. This involves a tinsmith shop hazard with painting. The paint in dip tank is usually thinned with benzine.

"PEPS."

Pollen stems, flower centers and small berries are called "peps." Some are machine made and some hand made. The machine is automatic in operation. It is a long iron frame, operated by endless chain. Heavy thread is spooled on a reel at one end, drawn first through a sizing pan, dried by radiated heat while passing over sheet metal with gas burners below, clamped at short intervals, cut in lengths of from two to four inches, dipped in pollen paste, then in a dry powder, and delivered at the opposite end of the machine in long rows of "peps" clamped to iron strips. These are removed and finished by hand. The dip size is made of starch and gum arabic; the paste, earth colors with gelatine body; colors, aniline; flour, potato and starch. The hazard of this machine is the heating arrangement, usually small portable gas burners with rubber tube connections under the frame and size kettle.

The French hand-made peps are made of the same material, being clamped to a four-sided wooden frame (called "spanning"), cut into lengths of two to four inches and dipped into paste. The German method is to paste the threads to the frame to more securely hold them in place. The threads are always dipped in gum arabic and starch sizing. The dip pans for peps are small, narrow and gas heated. One dip into this thick paste is sufficient for pollen stems, but for holly berries, etc., the dipping into paste and into starch is repeated until the required size is obtained. Paint or varnish coating is then applied and the peps dried.

BERRIES, CHERRIES, GRAPES AND FRUIT

are made same as peps. Before blackberries are varnished they are coated with gelatine and coriander seeds for the natural berry effect. Strawberries are dipped in hominy for the seedy outside appearance. Cherries are made mostly of cotton centers. These are wet and placed in moulds of a treadle machine, which in revolving rounds out the cotton on a wire or wooden stem. They are colored the same as berries. Grapes are also made of glass, varnished and painted, or (for plums) are covered with velvet, the stem near the fruit being first covered with cotton. The more expensive grapes are of gelatine and imported. Fruits, such as apples, pears and peaches, are moulded the same as cherries. They are dipped in a base color, tinted with air brush and dried.

Lily stems are made of chenille and cotton, rolled to form the stem, dipped in pollen paste and covered with farina.

Wool is used for daisy and sunflower centers.

Spagman moss from the New Jersey meadows is used for flower "beds."

Aigrettes (imitation) are of horse-hair, sewn to narrow strips of cloth and wound on wires. Grass, cut into narrow strips and colored, is used for aigrette sprays.

Sheaves are made of Italian wheat straw. It is claimed that Italian wheat is the only straw that can be used. the Italian sun and climate being necessary to produce the proper grade for durability. Water and aniline stain only is used.

Raffia is used extensively for grass, baskets and theatrical decorations.

PRESERVING AND FIREPROOFING

material, for both natural and artificial foliage, contains sulphate of ammonia, silicate of soda, rock salt, sugar, glucose, and chlorine. The process does not render them incombustible, but slow burning at ordinary temperature. They curl and discolor upon the application of direct flame. Sugar is used in the solution for the lighter shades; glucose for the darker shades and for a glossy surface. Materials are mixed in open wooden tanks. Chlorine is used only for the hardy plants, such as evergreens, palms and trees. It is necessary to first coat asparagus, heather and Italian boxwood in a gelatine or paraffine bath after staining to retain the color and prevent breaking, as they are rather tender. Palms are first fireproofed, stained, ironed and then painted. Bleaching of natural plants is done with sulphuric, hydrofluoric and acetic acids in thin solutions. Acetic is used for delicate plants, such as asparagus, Italian sagus and immortelles.

FLORISTS.

Aside from the natural flowers which are kept in ice boxes, the florist is called upon to make floral designs and set pieces. The moss used for beds is received in bales, moistened, bound to a metal frame, covered with tinfoil, and the flowers stuck in. They also carry a line of waxed flowers. Florists near cemeteries have stocks of all metal wreaths, porcelain flowers, etc. They are paid to keep cemetery plots decorated for certain

Digitized by Google

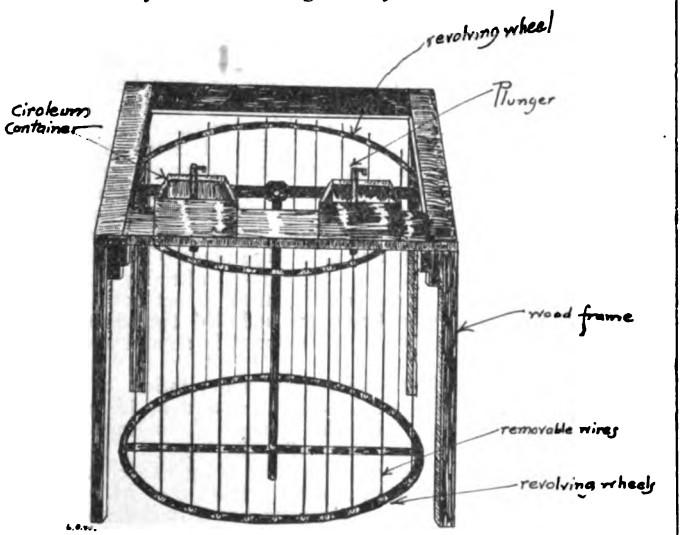
periods. At the end of the period the moss beds and wire frames are returned to the shop. This necessitates remaking the beds and repainting the frames.

FLORISTS' SUPPLY HOUSES.

A glance into one of these shops will remind one of a decorated summer garden prepared for a lawn fête. On all sides and hanging from the ceiling are displayed baskets of raffia, rattan or reed, filled with natural and artificial palms, ferns, grasses and flowers. The stocks are usually crowded and the aisles narrow. Glass vases, rustic furniture, bark and leaves form part of the stock. Excelsior is used for packing.

STOCKS.

As in all lines of manufacturing, there are firms who job in the several kinds of materials employed by the trade. Thus we have flower makers' supply houses, which have sheet muslin ready sized for leaf makers, various kinds of tubing, some a general line, including rubberized paper, moss, chenille, powders, peps, and dies for standard patterns. They are kept in wooden bins, tills, or pasteboard boxes. The finished product of the shops is found at the wholesale dealers. These dealers are of two classes, either the large Broadway merchants with large floor areas or the small dealer found on the side streets. Perhaps one-half of the larger firms' stocks will be imported. Few of them do any manufacturing of any account.



Ciroleum Tubing Machine

REED AND RATTAN BASKETS

are worked the same as in wicker baby carriage factories. The material is water soaked to make it pliable, woven and stained or painted. A gas-heated dip tank with aniline dye and glycerine is used. Making wood or bark baskets is a separate trade involving a wood-working hazard with painting and varnishing.

Wire frame making requires a tinsmith shop with soldering, bending, drilling and cutting. They are dipped in a tank of benzine-thinned paint. Enamelling, bronzing and lacquering is done by air brush; varnishing by hand. Sometimes celluloid enamel is used. These liquids are thinned with amyl acetate, benzine or turpentine. Open lights should never be near the air brushes or dip tanks and rooms should be well ventilated.

FEATHERS.

"Manufacturing" of feathers appears to be a misnomer, the work being that of a renovator or converter of the raw material into the finished product without changing the character of the material.

Ostrich feathers are mostly used. Chicken feathers are used for quills, herons for wings, while birds of paradise and aigrettes were formerly imported. Dealers in raw ostrich feathers keep their stock in bins according to quality. Manufacturers and dyers first sort them, then wash them and whip them over a board to open up the flues, dye and redry. The imperfect ones are shortened for "tips," trimmed and bunched. Wire or rubber cement is used as a binder. This is called "branching." At long tables are seated rows of girls, each having a bunch of feathers and an open dish of rubber cement. Over the tables is a row of lights, usually gas. Plumes receive better attention and a more expert class of help is employed. When dyed, they are dried, steamed to open up the flues, wrapped in cloth to retain the moisture and hand curled with cold irons. The coloring used is aniline thinned with water or alcohol. An open set iron boiler and a goodly supply of rubber cement used from open dishes are hazardous features of these shops. Feathers are placed in a gas-heated crimper, which binds the flues and gives the "pompon" effect. The ends or tips are colored with air brush. "Paring" or reducing the thickness of the stems is accomplished by running the feather between an emery wheel and iron roller operated by power. Drying is done in a metal gas-heated dry box, or in a drum with wire mesh sides, or in an oscillating metal pan heated by gas. Corn starch used after drying fluffs up the flues.

ARTIFICIAL WILLOW PLUMES

are made of ramie. Ramie is a shrubby Chinese or East Indian perennial of the nettle family with numerous rod-like stems four to six feet high and large heart-shaped leaves, silvery white beneath; cultivated in West Indies and United States. The fine fiber yielded by the stem of this plant is now coming into use for almost every purpose heretofore served by cotton. It is very strong and durable. Imitation willow plumes, napery, braids and trimmings are being made of ramie. In appearance it is similar to thrown silk and woven similar to straw braid in straw hat factories. For plumes, the ramie is sewed on a knitting frame in two breadths with a stiff binder in the center for the stem and a similar binder on each end. When the proper plume length is reached, it is removed and the outer binders cut off. Steaming, curling and tinting are done the same as with natural feathers.

HOUSEKEEPING.

Good housekeeping is essential. Small pieces of newspaper around stamping blocks where leaves are cut out and pieces of muslin in rooms where tubing is made accumulate very rapidly and should be removed daily.

SUSCEPTIBILITY.

Stocks of artificial flowers are more susceptible than millinery and few companies write them. Appreciation of susceptibility to water damage is shown in a shower by the ladies whose hats are trimmed with flowers, and evidenced by their covering the flowers with their escorts' handkerchiefs or by tucking their hats under their wraps. Even a small fire where any quantity of water is used, or where much smoke is emitted, will cause large losses and but little salvage can be expected. The imported rubberized paper which is used instead of tissue paper is susceptible to changes in temperature, and especially to heat. When kept in large quantities they should be stored in a cool place.

When fashions change from wearing flowers to the wearing of feathers, the flower shops are converted into feather shops. When ribbons and laces are in vogue, a severe moral hazard presents itself in the closing down of both kinds of shops. In all trades which are arbitrarily governed by slight changes in fashion, short working seasons are the rule and a large capital is essential to tide over the firm during the dull season. Changes in fashion relegate uncalled-for patterns to the storage closet. These patterns are hand-made and the more expensive are imported. The inside of the dies are lined with paper to exclude moisture. They are made of tested steel and are susceptible to water damage. Tool making is a separate industry.

PROFESSIONAL DECORATORS

who make a business of decorating ballrooms, restaurants and palatial private dwellings for special occasions necessarily keep on hand large quantities of supplies. Where special orders require, goods must be made. For this reason they have facilities for making the various kinds of decorations, and while the underwriter may look for only a stock, there is usually present a full-fledged flower-maker's shop. In the manufacturing of leaves, the storage and use of acetone, amyl acetate, turpentine, alcohol, benzine and liquid bronze is an important feature. The supply should be small, stored outside, and used as far as possible from safety cans. No open lights or frames should be permitted in rooms containing these liquids.

The former wooden base die presses with gas heat caused numerous fires. This hazard has been minimized by the use of iron presses.

DRYING

is one of the most serious hazards. Where entire floor areas are used for drying, as in the old-time factory, the gas jets between the rows of frames should have substantial metal guards

Digitized by Google

and the coal stoves should be watched very carefully. Where a large dry room is not necessary an approved all-metal drying box set on legs six inches above the floor and vented to the outside should be used. As the frames for tubing and leaf muslin are quite large, a dry room is necessary. The partitions of this room should be of 4-inch terra cotta blocks, brick or concrete or double ⅞-inch boards laid crosswise and lined with lock-jointed tin. Steam heat is preferable. The coils should be free from woodwork and (where live steam is used) screens should be used to prevent materials from falling on them. Invariably an ordinary pot stove is used, the frames being piled around and over the stove, which has resulted in many large losses.

CELLULOID.

Where celluloid is used, it should be kept in heavy sheet-metal boxes as per requirements and only a day's supply kept on hand. Foot-power presses for cutting are less dangerous than power presses, owing to lack of high speed and consequent friction. All scraps should be kept in metal safety waste cans.

Gas is used for crimpers, grippers, goffers and tubing machines. If the connections are of iron, little actual hazard exists, except by leaving the gas turned on when not in use. Direct heat is employed for warming linseed oil for coating tubing muslin in preparation for the flat covering. The oil pan should have flanged sides to prevent the oil from dripping onto the burners. This applies also to the ciroleum mixers.

The making of metal flowers involves the ordinary hazard of a tinsmith shop with soldering and painting. The dip tank containing-benzine-thinned paint is a serious hazard. This method of painting should be done outside of the main building.

There is little hazard in the preserving and fireproofing process. Steam is employed for heat. Natural air drying is the usual method. Frequently large quantities of unfireproofed foliage is stored in yards and sheds. As they accumulate and dry out, they become a menace to a factory and make fine fuel for flying sparks or a carelessly dropped match.

"Waxing" has caused many fires due to the method of heating. Direct coal or gas heat should not be used unless the wax pot has flanged sides. Where steam is not obtainable, the gas pot should set in a water jacket when coal or gas is used and the surrounding woodwork covered with metal or asbestos.

The fine spray from the air brushes impregnates the air and if confined in a room with open lights or flames will cause an explosion. The Board of Health now requires that rooms in which air brushes are used shall be partitioned off from the balance of the floor and fans used to carry the vapor to the outside of the building.

In florists' supply houses large quantities of packing materials, such as straw and excelsior, will be found. A standard, lock-jointed, tin-lined bin is recommended.

Pep making utilizes many materials and some hazardous liquids as described. Where made on a large scale, the different species of goods are made on separate floors, where will be found numerous gas-heated dipping tanks, dry boxes and air brushes.

In basket making, the most serious feature is the staining, dip painting and enameling.

In feather shops, the dyeing hazard with an open set iron boiler and poorly arranged drying rooms are familiar features. For the convenience of "branchers," the rubber cement is used from open dishes. Gas lights should not be used over the tables. The supply should be kept outside in the benzine house. The same kind of safety pots as are used in shoe factories can be used in branching without loss of time or inconvenience to the workers.

The Inspector and the Insured.

By F. M. Griswold, Chief Inspector, Home Ins. Co.

(Continued from last week)

Assuming for the purpose of illustration that the subject of inspection is that of a manufacturing plant or special hazard, it will then become necessary to closely scrutinize all matters which in any manner serve to create or to promote the fire hazard, including the character and nature of the raw stock or material to be used, following it through all processes of its manipulation, from its reception at the plant, its handling and storage, to the completion of the operations necessary to produce the finished goods or article, and to carefully note and define the hazards incident to each stage of progress where physical or other changes affecting the conditions may take place, and in addition to these purely technical investigations and conclusions, to closely observe and study "shop practice" or management, including supervision and discipline of employees, as related to cleanliness and care of hazards which form the basis of "good housekeeping," which is one of the most important essentials in securing safety from fire in all classes of property.

The nature, means and method of fire prevention practices should be carefully investigated; the apparatus and appliances for fire protection or fire defence should be very critically examined and described; and when the assent and co-operation of the insured can be secured, tests for efficiency of such devices should be undertaken, but the inspector is cautioned not to make such tests on his own initiative without permission and co-operation. The nature and conditions of the structures forming the plant or risk require careful consideration and full description, and finally, the information gained should be embodied in a written report of such lucidity as to convey a mental photograph of the hazards and conditions to the minds of those who have to decide upon the acceptability of the risk from an underwriting viewpoint.

I doubt not that to some of those present even this much abridged summary of the

PRIMARY DUTIES OF THE INSPECTOR

will appear arduous and difficult of accomplishment, because of the breadth of technical and general knowledge necessarily to be attained in order to comprehend even the salient points of the applied sciences which serve to create, promote or control the hazards of fire incident to business practices in this age of progress, which gives to us each day some new and unknown problem of our study and solution as to its fire or life hazard.

However, none who aspires to success need be discouraged through contemplation of these seeming difficulties, for it should be remembered that all of the teachings of the past serve to admonish us that the fruition of hope for advancement in knowledge or estate is the result of difficulties overcome and obstacles surmounted, and that the road to success still remains open and free to him who persistently strives to reach the goal, and he should therefore be encouraged to persevere, for, when fully qualified, the inspector stands on a high plane of usefulness as a conservator of public welfare in matters affecting the hazards of life and property, through his fitness to act both as mentor and guide to those who have not included the science of fire prevention and protection as an essential in mental and business training.

Holding this conviction as to the high station of the competent inspector, let us consider what should be his attitude in relation to his contact with the insured in matters connected with his inspection work. Primarily, the inspector should fully realize the fact that "every man's house is his castle," and therefore may not be invaded save at the pleasure of its owner; the mere fact that an insurance company has assumed a contingent liability on the property in the form of an insurance policy, and therefore has a business interest in the risk, does not carry with it any right of entry save at the courtesy of its owner; and when such entry is gained, an investigation of conditions becomes a matter of sufferance, which may be rescinded at the pleasure or caprice of the owner.

Therefore, when an inspector is called upon to enter a plant for the purpose of inspection, he should first seek an audience with the owner or manager, to whom he should exhibit such credentials as will prove him to be authorized by his employer to make such inspection, and in a gentlemanly manner ask the privilege to make the investigation, carefully avoiding even the appearance of demanding an entry as a right, to the end that this preliminary of introduction may place the applicant for favor and the insured, who is to grant it, on mutual grounds of amicable courtesy.

HAVING GAINED PERMISSION

to make inspection, it is always wise to briefly outline to the proprietor the purpose of the visit, and to give assurance that there is no intention to unduly pry into matters which do not affect the hazard, letting it be known that where such hazards are existent in the knowledge of the insured, but not readily discoverable through inspection, the mutual interests of both parties to the contract are best served when each strives to be frank with the other in such matters.

Approaching the insured in this manner usually results in securing his confidence on the start, and this condition may be materially reinforced by personally discussing with the insured conditions discovered which tend to create or to promote the fire hazard, not neglecting to express satisfaction where the management of the plant is to be commended, as a few words of deserved compliment go far to mollify antagonism engendered through criticism, for in some instances the insured may be found disinclined to admit the existence of defects cited by the inspector, basing his doubt upon his assumed knowledge of the

Digitized by Google

conditions of his plant, and in such cases the position of the inspector is materially strengthened by his ability to point out the defect in place, and in the presence of the insured to make plain the reasons for suggesting the proposed betterments, which should be founded on "both the law and gospels" of accepted practice.

With this thought in mind, I desire to caution the inspector against trusting to his memory as to conditions which need to be corrected, and to suggest that a special note be made in each case, indicating the nature of the defect and the locality in which it was discovered, rendering such items prominent by underscoring them with red or blue pencil, and using such points as his "texts" when in conference with the insured after an inspection, when, being sure of his ground, the inspector should have the courage of his convictions and clean up all criticisms while on the premises and in the presence of the insured. Do not run away from an inspection and write to the insured in relation to matters which ought to be disposed of during your presence at the plant.

THE PRACTICE OF "CLEANING UP"

as you go will be found of particular value when, as is sometimes the case, the insured thinks he has a secret process, an unpatented machine or method in production in relation to which he is disinclined to permit investigation by an outsider, for in such instances the inspector is confronted with conditions demanding the exercise of consummate tact and diplomacy to overcome the suspicions of the insured that under the cloak of inspection he may be harboring a spy from one of his rivals in trade, but as no two of such cases will be found so alike as to permit the making of a fast and hard rule of approach, the wit of the inspector must prove his guide in each case, but he should exercise a large measure of patience in attempting to overcome the objections offered by the insured, to whom it should be made plain that in order to make a report of value in the case, the inspector must personally observe and understand the hazards which may be incident to the hidden processes, and while willing to *believe* as truthful explanations made by the insured, it is impossible to *know* the conditions without personal investigation, and in order to fortify this position, the inspector should obligate himself not to divulge the information sought, and if then permitted to investigate, he is in duty bound to hold as absolutely inviolate the confidence thus reposed in him by the insured.

IN CASE OF AN ABSOLUTE DENIAL

of opportunity to look into the hazard of any supposed trade secret, the inspector must, perforce, choose between two courses of action in order to make an intelligible report—the easiest and at the same time the most unsatisfactory decision would be to attempt reaching a conclusion as to the gravity of the unknown hazard by analogy predicated upon the nature of the processes and methods already developed by investigation of the risk under view, or from knowledge gained in like plants; but the safe and wiser course is to take the benefit of the doubt and get off the risk, when both argument and appeal fail to convince the insured that it is unwise to face a contingent liability depending upon unknown conditions; in other and more homely words, "never buy a pig in a poke."

Another problem which is difficult of solution to the satisfaction of either the skilled inspector or the insured is the necessity for the correction of improper conditions brought about by the insistence of the tyro in inspection work; such, for instance, as forcing the placing of fire doors on each side of a brick basement division wall when the floors and superstructure above the wall were entirely of wood; insistence upon the hanging of a fire door at an opening between a brick factory building and its shed-roofed boiler house, while leaving the windows immediately above the combustible roof entirely unprotected. These two cases are cited from my personal experience, but many other illy advised conditions might be mentioned, some of which doubtless would be familiar to the experienced inspector.

In cases of this character the insured is more or less justified in claiming that if forced to make changes and improvements in accord with the whim of every so-called inspector visiting his plant, his day of trouble will never end, but if the inspector is properly equipped with knowledge and diplomacy, he will be able not only to suggest the proper remedy, but be skilled enough to demonstrate the correct method of procedure to secure the desired results. A friendly discussion of such matters with the insured often brings satisfaction all around; even if the impression made does not result in immediate action for betterment, it is "seed well planted" and will bear its fruit in the future.

Reflecting upon what has just been said in relation to the difficulty of correcting errors in practice, due to the ignorance or self-sufficiency of the inexperienced inspector, I am led to caution you against that false pride which prevents the open acknowledgment of ignorance in relation to anything coming under observation, and cite for your encouragement that trite aphorism which admonishes us that "the realization of ignorance is the foundation of wisdom"; hence, as it is not given to any man to *know* everything, the wise inspector, when confronted with new and novel conditions, will evidence his wisdom by admitting his ignorance, and gain knowledge by asking questions and seeking explanations as to processes, causes and effects which may be new to him.

In my experience I have found a

CONFESSION OF IGNORANCE

of almost inestimable value under such conditions, and have learned such by throwing myself upon the generosity of the insured for enlightenment, finding them in almost every instance both willing and competent instructors when properly approached.

Unless the inspector is skilled enough to comprehend all of the hazards incident to the risk to be inspected without assistance from those familiar with the plant, he should seek to be accompanied by the proprietor, manager or other person in authority during his tour of inspection, in order to be enabled to point out defects as developed and to secure information as to hazards and conditions, the nature of which is not self-evident; when so accompanied, the inspector should realize that the absence of his guide from regular duties must entail expense upon the insured, but at the same time should not permit himself to be unduly hurried in his work, as the value of the "formal report" to be made depends upon the fullest comprehension of the matters investigated; take time enough to make the fullest notes of all conditions affecting the risk and influencing your conclusions at the time such matters come under your observation.

While there has here been given you the merest outline on some of the more important features which should be considered under a proper treatment of this important subject, let me in closing again impress upon you the fact that the inspector, because of his calling has no inherent right or authority to enter a plant for the purpose of inspection except by permission from its owner, nor has he power to enforce compliance in matters calling for changes, improvements or betterments, and should therefore confine his criticisms to such features as materially affect the hazards, and the amendment of which are essential to approval of the risk.

ALL NECESSARY CRITICISMS

should be carefully considered by the inspector before submitting them to the insured, and should be presented in the nature of "suggestions" based upon accepted good practice, and in such manner as to convince the insured that compliance therewith will serve his best interests in the prevention or control of fire, making the argument "an appeal to reason." When the conditions criticised are such as to seriously jeopardize the safety of the plant, and immediate compliance with the suggestions cannot be secured, the only recourse is to get off from the risk, and the insured should be so advised, for while he is privileged to "take the chances" in such cases, the insurance company is not obligated to do so, and it is an evidence of sound underwriting to avoid any risk when it becomes necessary to threaten cancellation in order to secure promise of reform by the insured.

While the majority of men resent a demand to do anything which appears to reflect upon their method of business practice, almost every man will welcome friendly suggestions in criticism when so presented as to carry conviction of their feasibility and value in relation to the betterment of his own plant, and through this method the skilled inspector will many times succeed in securing needed reforms, even if he represent only a single company holding liability.

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in February.

Number of Fires.	Classification.	Reported Loss.
71	Spreading fires, with omnibus loss	$3,965,000
60	Business buildings, with varied occupancy	2,237,000
2	Cotton compresses	1,100,000
1	Grain elevator	900,000
12	Suburban dwellings	813,000
25	Miscellaneous manufacturing risks	560,000
13	School and college buildings	532,000
6	Railroad buildings	486,000
12	Churches	444,000
5	Garages	353,000
10	General stores	316,000
4	Cotton oil plants	310,000
14	Miscellaneous mercantile risks	288,000
15	Hotels	261,000

Digitized by Google

4	Lumber plants	240,000
11	Apartment houses	220,000
8	Miscellaneous warehouses	220,000
1	Alcohol plant	200,000
2	Milk products plants	200,000
19	City dwellings	191,000
4	Hardware stores	190,000
6	Laundry establishments	169,000
2	Paper mills	160,000
2	County buildings	150,000
9	Farm buildings	118,000
2	Wagon and coach factories	115,000
2	Meat packing plants	115,000
2	Furniture stores	105,000
3	Oil refineries	105,000
1	Auditorium	100,000
1	Ice plant	100,000
1	Morocco plant	100,000
2	Wharfs and piers	98,000
3	Printing plants	91,000
1	Cooperage plant	90,000
3	Store and dwelling risks	82,000
1	Library	75,000
1	Reform school	75,000
1	Studio building	75,000
3	Sanitariums	71,000
3	Machine shops	68,000
1	Racing stable	60,000
3	Hay and grain warehouses	53,000
7	Tenements	52,000
1	Livery stable	50,000
2	Drygoods stores	45,000
1	Fruit evaporator	45,000
1	Hat factory	45,000
3	Summer resorts	41,000
5	Stables	37,000
1	Bank building	30,000
1	Department store	30,000
2	Y. M. C. A. buildings	30,000
2	Boat houses	28,000
2	Fruit canneries	28,000
3	Club and fraternal headquarters	26,000
3	Planing mills	26,000
1	Copper mine plant	25,000
2	Cotton gin plants	22,000
1	Coal plant	20,000
1	Granite plant	20,000
1	Flour mill	15,000
1	Pickle factory	13,000
1	Fish curing establishment	10,000
1	Tannery	10,000
1	Torpedo plant	10,000
1	Tugboat	10,000
1	Fertilizer factory	8,000
1	Powder mill	8,000
1	City barn	7,000
1	Dye plant	6,000
1	Cotton mill	5,000
1	Floating bridge	5,000
	Total	$16,908,000
	Add 15 per cent. for small and unreported fires	$2,536,200
	Total	$19,444,200

Total fires reported, 402.
Six of above fires reported as incendiary; loss, $150,000.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Georgia.

1. Validity of Policy—Dual Relation of Agents.

The evidence presented did not authorize a finding that the agent of the insurance company, who issued the policy, was also the agent for the insured, so as to invalidate the contract.

2. Same—Same—Effect of Rider—Knowledge of Insured.

The policy having been duly issued and delivered, the failure of the agent to comply with the instructions of his principal, which were not communicated to the insured, to attach to the policy a "rider," the effect of which would have been to cancel the policy, could not operate to the prejudice of the insured.

3. Same—Same—Attorney's Fees.

The sums found as attorney's fees and damages having been written off by the plaintiff, the verdict as thus reduced was demanded by the evidence, and there was no error in overruling the motion for a new trial.

Judgment for plaintiff in City Court of Elberton here affirmed in Court of Appeals of Georgia.

SOUTHERN STATES FIRE INS. CO. vs. TABOR,
80 Southeastern, 536. (January 20, 1914.)

Louisiana.

1. Tax on Insurance Companies—Appointment and Compensation of Officers—Statutes of Louisiana—Constitutional Law.

The statutes of Louisiana (Acts 1904, No. 122, as amended by Acts 1908, No. 153, and by Acts 1910, No. 143), creating the office of State fire marshal, authorizing the Governor to appoint the incumbent thereof, imposing upon certain insurance companies a tax upon their annual premium receipts for the payment of his salary and office expenses, empowering such marshal to investigate the cause and circumstances of every fire in any city, to discover whether it was due to carelessness or design, to direct the chiefs of fire departments in the several cities in making such investigations and in reporting thereon, investing him with power to summon and swear witnesses, to direct and to search for evidence of incendiarism, to order the repair and removal of dangerous and dilapidated buildings and the removal of combustibles, and making a failure to comply with such orders a misdemeanor, conferred upon the State fire marshal functions local in character, the exercise of which in any city constitutes an exercise of the police power of such city and an administration in part of its affairs, and therefore violated the constitution (1898 Const., Arts. 319-320), whereby the electors of a city are given the right to elect the officers charged with the exercise of the police power of the city or with the administration of its affairs in whole or in part.

2. Same—Same—Same—Same—Equality and Uniformity of Taxation.

The unconstitutionality of said statutes, supra, entailed the nullity of the tax upon one of such insurance companies to pay the salary and expenses of the marshal in so far as the city and the company domiciled and carrying on its business therein was concerned, for it left the marshal's local situation as if by the act itself the functions were excluded from the city and confined in the rest of the State, and thus violated the fundamental rule that the purpose of a tax must pertain to the district taxed and that one part of the State cannot be taxed for the benefit of another part of the State.

Judgment for plaintiff in Civil District Court, Parish of Orleans, here set aside and suit dismissed in Supreme Court of Louisiana.

STATE EX REL FITZPATRICK, STATE COLLECTOR, ETC., VS. LAFAYETTE FIRE INSURANCE COMPANY,
63 Southern, 630. (March 31, 1913. On rehearing, November 3, 1913.)

Maine.

1. Vacancy—Provisions of Policy—Forfeiture of Policy.

Where policies of insurance, issued in the standard form under the statutes of Maine, provided that they should be void if the premises should become vacant and so remain for more than thirty days without the previous assent of the insurer in writing, and the premises insured were vacant from January 31 to June, 1012, after which date they were occupied until July 28, 1912, when the loss occurred, the word "void" meant null, of no effect, and the force of the provision in the policy did not depend upon an increase of risk, but the vacancy worked a forfeiture of the policy and not merely a suspension of the risk, so that subsequent occupancy did not revive the policy.

2. Same—Same—Waiver.

Under the provision of the policy as to vacancy, the provision may be waived by the insurer.

On report from Supreme Judicial Court, Hancock County, judgment for defendant in Supreme Judicial Court of Maine.

DOLLIVER VS. GRANITE STATE FIRE INS. CO.,
89 Atlantic, 8. (December 10, 1913.)

Missouri.

1. Coinsurance—Statutory Prohibition—Statutes of Missouri.

Under the statutes of Missouri (Rev. St. 1909, Sec. 7023), providing that no fire insurance policy shall contain any clause requiring the assured to take out a larger amount of insurance than that covered by the policy, nor providing that the assured shall be liable as coinsurer with the company issuing the policy for any part of the loss or damage, which may be occasioned by fire to the property covered thereby, or making provisions for a reduction of such loss by reason of the failure of the assured to take out and maintain other insurance, and that all such provisions shall be void, a provision of a fire insurance policy that the company, in case of loss, should be liable for only such portion thereof as the amount insured by the policy should bear to the

Digitized by Google

actual cash value of the property covered by the policy, was void, since such a provision forced the assured to share his loss with the insurer and carry a part of his own risk, and amounted to a coinsurance contract, though it was not framed in the words of the statute. The statute (Rev. St. 1909, Sec. 7030) providing that no company shall take a risk on any property at a ratio greater than three-fourths of the value of the property, and that, when taken, its value shall not be questioned in any proceeding, has no bearing on the construction of the foregoing section.

Judgment for plaintiff, in Circuit Court, Cooper County, here affirmed in Kansas City Court of Appeals, Missouri.

ALSOP INSURANCE COMPANY VS. CONTINENTAL INSURANCE COMPANY,
162 Southwestern, 313. (January 5, 1914.)

Nebraska.

1. Direction of Verdict.

Where plaintiff and defendant at the close of the evidence do not each request the court to direct verdict in his favor, the district court is not authorized to determine disputed questions of fact. If such a request is made by one party alone, it is only when the testimony on behalf of the other party will not support his cause of action or his defense that the court may direct the jury to render a verdict in favor of the moving party.

2. Same—Vacancy of Premises—Notice to the Company.

Where notice of the existence of a vacancy in the insured premises, or of the occurrence of a fire in the same to such an extent as to make them uninhabitable, is communicated to the local agent of the defendant, authorized to issue policies and transact the usual business of a recording agency, that is notice to the company.

3. Same—Same—Return of Unearned Premiums.

Where the policy contains usual clause against vacancy of premises insured and for return of unearned premium upon the surrender of the policy or last renewal, the company retaining the customary short rate, the company is not bound to return any unearned premium unless the policy is surrendered.

4. Same—Same—Forfeiture of Policy—Waiver.

Where, under such policy, the insurer has no notice or knowledge of the breach of a condition in the policy, making it void in case the premises are vacant or unoccupied for more than 10 days, and did not learn until after the premises were totally destroyed that the building had been so damaged by previous fires as to be uninhabitable, and had so remained for several weeks before the loss occurred, the fact that the adjuster for the company, while declaring that the policy was void, and that the insurer was not liable, offered a larger sum than the unearned premium for a surrender of the policy, does not of itself constitute a waiver of the forfeiture of the policy for breach of said condition.

Judgment for plaintiff in District Court, Douglas County, here reversed in Supreme Court of Nebraska.

SCHMIDT VS. WILLIAMSBURGH CITY FIRE INSURANCE CO. OF BROOKLYN, N. Y.,
144 Northwestern, 1044. (January 7, 1914.)

New York.

1. Appraisal and Award—Correctness of Award—Question for Jury.

In an action on policy for $2,500, which was one of a number of policies amounting to over $215,000 covering a piano factory that was destroyed by fire, the defendant alleged an appraisal and award, made pursuant to the provisions of the policy, fixing the total loss at over $152,000, and that the share of the defendant, in case of recovery, would be about $1,700. There can be no doubt that the presumption is with the defendant that the award was just and proper, but the evidence disclosed that there was never any such effort at a fair and impartial appraisal as the standard policy contemplates and the question was properly submitted to the jury and the jury was justified in holding that the plaintiff was not bound by the alleged appraisal and award.

2. Same—Sprinkler Warranty Clause—Question for Jury.

The policy provided that "in so far as the sprinkler system and water supply therefor are under control of the assured, due diligence shall be used by the assured to maintain them in complete working order, and that no change will be made in the said system of water supply therefore without the consent of this company in writing, and, although the evidence was conflicting as to whether plaintiff had violated the sprinkler warranty clause and there were some suspicious facts connected with the fire, the question was properly for the jury, and there was no such weight of evidence in support of the defendant's theory as to warrant a reversal of the determination of the jury, even assuming that the burden of proof was upon the plaintiff to show that it had used due diligence in preserving the sprinkler system.

3. Same—Proof of Loss—Presumptions as to Perjury.

The defendant alleged that plaintiff and its officers were guilty of false swearing in connection with proof of loss, but that was properly a question for the jury, and courts will not presume upon any doubtful basis that any one has deliberately committed perjury.

4. Same—Fire Caused by Plaintiff—Weight of Evidence.

The defendant alleged that the fire was due to the fraudulent act of plaintiff or its employees, but the question was properly for the jury, and the verdict in favor of plaintiff was not against the weight of the evidence.

Judgment for plaintiff in Supreme Court, Cortland County, here affirmed in the Appellate Division, Supreme Court, Third Department, New York.

J. E. DAVIS M'F'G COMPANY VS. STUYVESANT INSURANCE CO. ET AL,
145 New York Supp., 192. (January 7, 1914.)

Oklahoma.

1. Policy Provisions—Election to Cancel—Sufficiency of Pleadings.

Where the policy provided: "This entire policy shall be void at the election of the company, if, without the consent of the secretary or general agent of the company indorsed thereon, any other insurance is now or shall be taken out on any of the property above described," and the answer alleged a violation of this clause by the insured in taking out additional insurance on the same property covered by the policy in suit, without the knowledge or consent of the company, but it failed to allege a compliance with the terms of the policy, which prescribe that in case the company elects to cancel the policy it shall do so by returning to the assured the pro rata unearned premium, if it has been paid, or, if not, by indorsing the amount thereof on any unpaid premium note and giving written notice thereof to the assured, and it did not allege payment or tender to the assured of the pro rata unearned premium and the giving of written notice to the assured, the answer does not sufficiently plead an election on the part of the company to declare the policy void.

Judgment for plaintiff, District Court, Comanche County, here affirmed in the Supreme Court of Oklahoma.

ST. PAUL FIRE & MARINE COMPANY VS. BRAGG,
137 Pacific, 714. (December 20, 1913.)

Oregon.

1. False Swearing—Proof of Loss—Instructions to Jury.

Where the policies contained provision, prescribed by statutes of Oregon (L. O. L., Sec. 4666), that :"This entire policy shall be void if the insured has concealed or misrepresented, in writing or otherwise, any material facts or circumstances concerning this insurance or the subject thereof; or if the interests of the insured * * * be not truly stated herein; or in case of any fraud or false swearing by the insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss," instructions to the jury that the fact the insured's knowingly and intentionally swearing falsely, with knowledge of such falsity, was not sufficient to avoid the policy, but that the intention to defraud the company must also be shown, the burden of proving which was cast upon the defendant by previous instructions, constituted reversible error.

2. Same—Same—Appeal and Error—Bill of Exceptions.

A purported bill of exceptions, including only a copy of the instructions to the jury, with a note of exceptions to four of them, and containing no statement of so much of the evidence or other matter as is necessary to explain it, as provided by statute (L. O. L., Sec. 171), is not a proper bill of exceptions, though accompanied by a transcript of all the evidence, exhibits and instructions. Though a bill of exceptions contains no statement of the evidence or other matters necessary to explain it, yet if instructions objected to appear, in the light of the pleadings, to be erroneous, they may be reviewed on appeal.

Judgment for plaintiff in Circuit Court, Lake County, here reversed and remanded in Supreme Court of Oregon.

WILLIS ET AL VS. HORTICULTURAL FIRE RELIEF OF OREGON,
137 Pacific, 761. (January 13, 1914.)

1. Appeal and Error—Partnership of Insured—Presumptions on Appeal.

In an action on a policy of insurance, issued to cover a stock of merchandise and stock of furniture and fixtures, where the allegation of partnership of plaintiffs was denied in the answer, and the policy, loss and adjustment thereof were admitted, and the court ruled, without objection or exception, that the de-

Digitized by Google

fendants had the burden of proof, it will be presumed on appeal, in support of a finding that the plaintiffs were partners, that defendant's counsel at the trial admitted that fact.

2. Mutual Insurance Company—Non-payment of Assessment—Notice to Insured—Forfeiture of Policy.

Where the policy of insurance issued by a mutual insurance company recites that the member has bound himself to pay assessments, and also that he has paid a fixed sum, but he has not in fact paid such sum, and the policy also sets out provisions of the constitution and by-laws of the company requiring the secretary to collect assessments and premiums, and providing that all losses shall be paid from the general fund maintained by assessments, and that, if any assessment is not paid within 30 days after notice thereof is deposited in the post-office at Portland, the policy shall be void, and that the company will issue a paid-up policy upon the payment of a sum into an advance assessment fund, if the fixed sum referred to in the policy is an advance assessment which should be paid within 30 days after notice, the mailing of the notice is a condition precedent to avoiding the policy for non-payment.

3. Same—Same—Same—Same.

Under a provision of the by-laws of a mutual insurance company that, if an assessment is not paid within 30 days after notice thereof is mailed, the policy shall be void, for a mere declaration of the amount due on the policy, without notice that the policy would become void if the amount were not paid within 30 days was not sufficient.

4. Same—Same—Same—Same.

Where the by-laws of a mutual insurance company require notice of assessments to be in writing, evidence of a parol notice is immaterial.

5. Same—Same—Same—Same.

Where it might reasonably be inferred that a sum mentioned in a policy was a premium rather than an advance assessment, the policy did not give the notice required by the by-laws of the company to avoid a policy for failure to pay the assessment within a given time.

Judgment for plaintiff in Circuit Court, Multnomah County, here affirmed in the Supreme Court of Oregon.

FRAKES ET AL VS. MUTUAL FIRE COMPANY OF PORTLAND,
138 Pacific, 224. (January 20, 1914.)

Pennsylvania.

1. Cancellation of Policy—Notice to Agent.

Where insurance on defendant's factory was solicited and procured by broker through a firm of agents in a number of companies, including the plaintiff, and July 11, 1912, the firm of agents gave notice of cancellation of policy issued by plaintiff to the broker, but not to the insured, and July 15, 1912, the broker in letter to president of defendant company stated that plaintiff company had requested the cancellation of its policy, which had been returned, and offered to replace the amount thereof at the first opportunity, and notice to the insured is a condition precedent to the cancellation of a fire policy, the notice to the broker was not notice to the insured.

2. Same—Same—Ratification by Insured.

While an insured may ratify notice of cancellation given by the firm of agents only to the broker, who procured the insurance, there is no ratification where the broker did not procure any substitute policies, as was his custom in such cases, and the insured had no notice of the cancellation of the policy.

3. Same—Same—Payment of Premiums.

Where settlements were made by the broker and the company only every 30 to 60 days, the company could not escape liability for a fire which occurred within less than two months after the issuance of the policy, on the ground of non-payment of premiums, upon the theory that the broker, upon notice of cancellation, by crediting himself with the amount of the premium as of the date of the issuance of the policy deprived the company of any premium, it not appearing that payment of premium was ever refused by the broker.

Judgment for plaintiff in Circuit Court of Baltimore here affirmed in Court of Appeals of Maryland.

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA., VS. BALTIMORE ASBESTOS COMPANY, INC.,
89 Atlantic, 408. (December 19, 1913.)

South Carolina.

1. Mutual Insurance Company—Assessments of Members.

In the policy issued by mutual company, under the constitution and by-laws adopted in pursuance of statute (Code of Laws, 1902, Sec. 1912), under which the mutual company was organized, it was provided that "The insured has the privilege of paying assessments for losses in advance, each year, by paying an additional sum equal to twice the first payment, and thereby be exempt from assessments, and at the end of each year, the insured will be credited with the difference, if any, between such payment and the assessments, to which the policy would have been liable," and in 1910 (26 Stat. at Large, p. 550) statute was enacted providing, "No officer of a mutual protection association shall give, either officially or privately, a guaranty, or estimate, to a policyholder against an assessment to which he may be liable." This statute did not change the effect of the foregoing provision of the policy and, where upon becoming member of the company the defendant paid three times the amount of the premium for the policy issued upon the representation by the agent of the company that if he made such payment he would be guaranteed against assessments for one year, the receiver of the insolvent mutual company cannot recover from the member an assessment levied by order of court to pay the expenses of the receivership and the losses which occurred prior to the appointment of the receiver.

Judgment for defendant in Common Pleas Circuit Court, Spartanburg County, here affirmed in Supreme Court of South Carolina.

WETMORE VS. MCELROY,
80 Southeastern, 266. (December 5, 1913.)

Texas.

1. Limitation of Actions—Statutes of Texas.

Under the statutes of Texas (Rev. Civ. St. 1911, Art. 4874), providing that a fire insurance policy in case of total loss shall be a liquidated demand against the company for the full amount thereof, except that this shall not apply to personal property, a provision of a policy that the sum for which the company was liable thereunder should be payable 60 days after due notice, ascertainment, estimate and satisfactory proof of loss had been received by the company, did not apply where there was a total loss and a denial of liability, and suit could be brought on the policy without waiting 60 days, since in such a case no notice or proof of loss is required, and to apply such provision would make the time of payment indeterminate.

2. Same—Evidence—Telephone Communications.

In an action by the assignee of an insurance policy, evidence was admissible that insured, in the presence of the witness, called the office of the insurer's agent on the telephone and told some person who answered that the policy and property covered thereby had been transferred and for him to make a note of it, though the witness did not know to whom the insured was talking over the telephone.

3. Same—Evidence—Res Gestæ—Declarations of Third Persons.

Where insured, at the time of the transfer of a policy and the property covered thereby, called the office of the insurer's agent on the telephone and told some person in the office of the transfer, evidence that he then told a witness that the policy was transferred, and that the matter would be agreed to by the agent, was not hearsay, but was admissible as a part of the res gestæ.

4. Same—Same—Sufficiency of Evidence.

In an action on an assigned insurance policy, evidence of the mailing of a letter by the assignee to the insurer's agent, telling him of the assignment, was sufficient to justify the admission in evidence of a copy of the letter.

5. Same—Same—Same—Question for Jury.

Where there was evidence that a letter was mailed, whether it was received by the addressee, since deceased, was a question for the jury, though it could not be found among the addressee's papers.

6. Same—Same—Instructions to Jury.

Where the policy provided that it should be void if any change took place in the interest, title or possession of the property insured, or if the policy was assigned, unless otherwise provided by an agreement indorsed thereon or added thereto, an instruction that mere notification to the insurer of a transfer was not sufficient to change the character of the stipulation in the policy, that notification on the part of the insured, and assent thereto on the part of the insurer was required, and that if notification was given by the insured and received by the insurer, assent would be presumed, unless the insurer declined to accept the transfer so made, was correct and not erroneous, as placing the burden on the insurer to prove its non-consent, nor contradictory.

Judgment for plaintiff, District Court, Dallas County, here affirmed in Court of Civil Appeals of Texas, Dallas.

NORTHERN ASSURANCE COMPANY, LD., OF LONDON, ENGLAND, VS. MORRISSON,
162 Southwestern, 411. (December 20, 1913. Rehearing denied January 10, 1914.)

Digitized by Google

(*Continued from page 196*)

corporation incorporated to reinsure all of the said kinds of insurance need not exceed $750,000 and the surplus need not exceed $375,000.

A reinsurance corporation organized under the law of any other State of the United States may be admitted to transact in this State the business of reinsuring one or more of the kinds of insurance permitted by the law of this State, provided that such company has a paid-in capital and a surplus at least equal to the capital and surplus required for a similar reinsurance company organized under this section and empowered to reinsure the kinds of insurance which the aforesaid other State reinsurance corporation makes application to be licensed for in this State; and further provided that such reinsurance corporation has on deposit with insurance departments within the United States an amount equal to the minimum capital stock required of a similar domestic reinsurance corporation. Such reinsurance company shall, as a condition of admission to do business in this State, file with the Superintendent of Insurance a written renunciation of the right to do reinsurance of the kinds of business authorized by the law of this State for which authority is not asked and a written agreement that it will not reinsure the entire liability of any company nor the entire amount of any risk which it reinsures. Such renunciation and agreement shall be in form as prescribed by the Superintendent of Insurance of this State.

A reinsurance corporation organized under the government or laws of any other country outside the United States may be admitted to transact in this State the business of reinsuring one or more of the kinds of insurance permitted by the law of this State, provided that such company shall have within the United States deposited with the insurance departments an amount at least equal to the capital required for a similar reinsurance company organized under this section and empowered to reinsure the kinds of insurance which the aforesaid foreign reinsurance corporation makes application to be licensed for in this State. Such reinsurance company shall, as a condition of admission to do business in this State, file with the Superintendent of Insurance a written renunciation of the right to do in the United States reinsurance of the kinds of business authorized by the law of this State for which authority is not asked and a written agreement that it will not in the United States reinsure the entire liability of any company nor the entire amount of any risk which it reinsures. Such renunciation and agreement shall be in form as prescribed by the Superintendent of Insurance of this State.

As a condition of admission and continuance of the right to do business in this State, a reinsurance corporation, other than a domestic insurance corporation, shall invest and keep invested the amount deposited with insurance departments within the United States as required by Section 13 of this act.

Except as in this section provided, the requirements of the insurance law as to deposits shall not apply to reinsurance companies incorporated or admitted to do business under this section.

All of the provisions contained in Article 1 of the Insurance Law of this State, except Sections 12, 26, 27, 28 and 36, and except such provisions as are covered by this article, and except such provisions as are inherently inapplicable, shall apply to reinsurance corporations organized or admitted under this section.

Sec. 2. This act shall take effect immediately.

Back Draughts.

By Charles C. Dominge, Insurance Engineer-Underwriter.

The phenomena of "back draughts" is the dread of fire fighters, for they never know at what moment they may be caught by one of these outbursts of flame. A "back draught" is really an explosion. When there is not a sufficient supply of air to produce complete combustion, the combustible will give off, in addition to the products of combustion, a gas which is combustible. This gas, when mixed with air, becomes either a combustible or an explosive, according to the mixture. When the adjustment of air and gas is a proper one, the resultant explosion is severe enough to wreck the building. Such a "back draught" is usually accompanied by a burst of flame.

Delayed Love Letter.

The "Pioneer."

We frequently hear a policy of life insurance referred to as "The last love letter." but did you ever contemplate the other side, which might be termed "The letter of blasted hopes"? These are printed daily in the "Situation Wanted" columns of our newspapers, and their full meaning is never fully appreciated. We are reproducing a few clippings taken at random, hoping that the husband who reads them will decide promptly whether he wants his wife to sell her time, and frequently soul, because of his neglect.

HOUSEKEEPER—Widow with boy 5, in private family in city; reference. 2530 Mersington.

HOUSEKEEPER—Lady, with boy 10 years old, wants to keep house for widower or bachelor. Address B, 624 Star.

HOUSEKEEPER—Middle-aged widow lady desires position as housekeeper. 2617 Elma.

HOUSEKEEPER—Woman of education and refinement would like full charge of home of widower or wife semi-invalid or busy socially; in reply give full name and address; references required and given. Address B, 742 Star.

HOUSEKEEPER—Refined widow wants position as housekeeper where she will be treated as one of the family. Bell East 1817.

The Need of Life Insurance Education for Policyholders and Lawmakers.

The February number of *Mutual Interests*, published by the Mutual Life of New York, contains an article on the things which need to be better known by both policyholders and those who make the laws that govern the business of life insurance. The paper says:

There is one subject in which every reader of this paper is interested—life insurance—for every reader is a policyholder. There is no other one business or institution in this country into which the people pay so much money, and yet about which they know so little, as the institution of life insurance. The world knows now that life insurance is a necessity, and there is general confidence that the well-established companies are absolutely safe. Hence the average policyholder is disposed to take the business on faith, assuming that it is all right. This is very well, but there are nevertheless many things about the business which the man who pays life insurance premiums ought to know of his own knowledge.

Recently the life insurance companies and policyholders of the country were obliged to conduct a strenuous campaign of education in Congress merely because the representatives of the people did not clearly understand the real nature of the life insurance dividend. Looking upon life insurance companies as wealthy, money-making corporations, and believing these dividends to represent actual profits, the proposed income tax bill included a provision for taxing dividends as income. There was no malice back of that proposition nor any wish to place undue burdens upon life insurance. The Representatives in Congress did not realize at first that the life insurance dividend does not represent a profit, but is merely a refund of the unused portion of the premium. When once the fact was clearly understood, the objectionable provision was eliminated. Every law maker who has to do with legislation relating to life insurance—often burdensome legislation—and every policyholder who pays the premiums and bears the burdens laid upon life insurance, should understand the essential principles upon which the business rests.

Nearly all State governments to-day levy extortionate taxes upon life insurance—extortionate because of a misapprehension of the true nature of the business. If the average legislator fully understood that mutual life insurance is not a money-making institution, and that there would be no so-called dividends at all if the exact future cost of life insurance could be determined in advance, the probability is that life insurance taxation would be limited to an amount sufficient to meet the cost of proper supervision. As it is, a part of every premium paid by the policyholder is taken by the State, not for the protection of life insurance, but purely for revenue purposes, the receipts from this source averaging probably ten times the cost of supervision.

Within the last two or three years no less than thirteen States have taken a step which is of itself a conclusive argument against all taxation of life insurance, save perhaps for the cost of supervision only. We refer to the laws which provide pensions for dependent widows. These laws would not be needed if the former husbands of those widows had carried life insurance—at least, if the insurance had been on the continuous instalment or life income plan. Those who are now making provision in advance for their own future widows and orphans by paying life insurance premiums are taxed, with the rest of the community, to provide for the dependents of those who were less provident in their lifetime than they.

But that is not the worst. These men, who carry life insur-

Digitized by Google

ance to-day to the end that their own widows and orphan children may never become public pensioners depending upon the charity of the State, are taxed on every premium they put up, in addition to the regular taxes which they pay in common with the rest of the community. In taxing life insurance premiums the State simply puts forth its hand and seizes a part of every deposit the provident man makes toward providing for the widows and orphans of the future.

The representatives of the people in legislative assemblies do not know that they are doing an unjust thing, and an inconsistent thing in taxing life insurance, for they do not realize the beneficent and wholly provident character of the institution; and the policyholders, who pay the tax, do not know as a rule that they are taxed at all. In their understanding the tax is paid by a wealthy corporation, while the fact is that every dividend (or refund) received by the policyholder would be larger, and hence the amount which they pay for protection would be smaller, if the premiums they pay were not taxed.

Insurance Legislation.

Kentucky.

FRANKFORT, March 5.—Bills introduced:

House Bill 448 (McNally), to make voidable settlements of personal injury claims effected within thirty days, introduced February 2, is still in the Judiciary Committee.

House Bill 608 (Judy), to provide for co-insurance on real property, and to regulate valued policies thereon.

Senate Bill 353 (Moore), to regulate burial insurance companies.

Senate Bill 348 (Ford), to require bonding companies to give thirty days' notice before cancelling indemnity bonds.

House Bill 623 (Davis), to provide for the further regulation of assessment or co-operative fire insurance companies.

Maryland.

ANNAPOLIS, March 4.—The following is the amendment proposed to Section 167 of Article 23 of the Code of 1904 of Public General Laws, title "Corporations," sub-title "Insurance Department," as amended and re-enacted by Chapter 207 of the Laws of 1912, relating to tax on premiums, license fees and department fees chargeable to insurance companies.

In lieu of the $10 fee imposed by the above law on agents or solicitors, the following:

Two dollars for each and every agent authorized to sign policies and for each solicitor the sum of Two Dollars. The said solicitor to have no power to sign any paper obligating the company for which he will have a Solicitor's License. The Insurance Commissioner in issuing such licenses shall define on the face of said license what it authorizes the said agent to do in this State.

House Bill 475 proposes the same amendment to the same law, except that the cost of an agent's license is made $5 and the solicitor's license is made $2.

Bills introduced:

House Bill 470 (Reinhart), reducing the cost of certificates of authority for solicitors and agents of fire insurance companies from $10 to $2 each.

House Bill 475 (Thomas), reducing the cost of certificates of authority for agents and solicitors of fire insurance companies from $10 to $5 for each agent authorized to sign policies, and $2 for each solicitor.

Mississippi.

JACKSON, March 5.—Bills introduced:

House Bill 738 (Gandy), requiring Mississippi mutual fire insurance companies to deposit $25,000 with the State treasurer for the benefit of policyholders.

House Bill 499, for compulsory investment of life insurance reserves, was reported unfavorably by the House committee by a vote of six to four. The minority will file a report, and a fight for the enactment of the bill will be made on the floor of the House. The committee amended the bill to reduce the percentage from 75 per cent. to 50 per cent.

The House has passed a resolution setting the date of adjournment at March 14. It is hardly probable that the legislature will complete its business by this time, and it is predicted by some that they will remain in session until April 10.

House Bill 827 (Gandy), to amend the act relative to the formation of mutual fire insurance companies so as to require a guaranty fund.

Unless prompt and vigorous action is taken by opponents of the compulsory investment bill, the opinion prevailing here is that the bill will pass the House.

New Jersey.

TRENTON, March 5.—Bills introduced:

Senate Bill 247 (McGinnis), to forbid the removal of actions from the State to the Federal courts.

Senate Bill 271 (Hutchinson), giving corporations authority to buy securities of other corporations, where the purpose of such purchase is not to create a monopoly or restraint of trade.

Senate Bill 278 (Edge), prohibiting misrepresentation of insurance policies.

Senate Bill 279 (Edge), requiring employers to report industrial accidents.

Senate Bill 288 (Barber), making the employers' liability law apply to mines and quarries.

House Bill 576 (Holcomb), to create the office of State fire marshal.

House Bill 580 (Burton), relating to the deposit of securities by mutual fire or liability insurance companies.

House Bill 581 (Burton), to repeal the act relating to capital stock of mutual fire insurance companies.

House Bill 582 (Burton), to repeal the law providing that failure to furnish proof of loss is not a waiver of the right to collect.

House Bill 590 (Quinn), amending the schedules of the employers' liability act.

House Bill 594 (Griffin), amending the employers' liability act, with reference to hospital service and medicines.

House Bill 606 (Foley), to require municipalities to pay premiums on bonds of their officers.

House Bill 615 (Dalrymple), specifying mode of making compensation payments to parents or guardians.

House Bill 619 (Branegan), to add to Section 3, Subdivision 13, of the act regulating insurance companies, approved April 13, 1902, "except also that companies electing to issue policies of residences and private apartments, may embrace in one policy risks specified in Subdivisions 4 to 13, inclusive."

House Bill 625 (McCabe), to amend the schedules of the employers' liability law.

House Bill 662 (Curran), to require property owners in this State who obtain insurance from unlicensed companies to retain 3 per cent. of the premium, which shall be paid within 30 days as a State tax.

House Bill 701 (Burton), to prohibit insurance companies from appointing agents or advertising, except under the title of the company, as recorded with the Commissioner of Insurance and Banking.

House Bill 714 (Griffin), prohibiting persons engaged in industrial insurance to charge against or collect from any agent for the lapse of any policy.

House Bill 688 (Kates), to put every fire insurance rate-making bureau under the supervision of the Commissioner of Banking and Insurance and require them to conform to his rulings and regulations.

New York.

ALBANY, March 5.—Bills introduced:

House Bill 948 (Henschel), establishing an old age, sickness and unemployment insurance and pension commission to consist of three persons appointed by the governor, one appointed by the president of the Senate and one appointed by the speaker of the Assembly. They are to serve without compensation. The commission is to inquire into questions of the organization and operation in other countries of old age, sickness and unemployment insurance and pension systems and make report to the legislature of 1915, together with its recommendations. The commission is given the usual powers of a legislative committee and $10,000 is appropriated for the expense of the investigation.

House Bill 1046 (Ferry) (Senate Bill 709, Rampsberger, identi-

Digitized by Google

cal), permitting fraternal benefit societies to insure children between one and sixteen years of age, after medical examination, and upon the application of a member of the society.

House Bill 1047 (Ferry) (Senate Bill 798, Rampsberger, identical), prohibiting any insurance company or fraternal society from issuing any form of group insurance from the membership of any supreme body or lodge of a fraternal benefit society.

Senate Bill 845 (Rampsberger), to authorize the incorporation of companies to insure against loss or damage to elevators, or loss caused by the operation of elevators.

Senate Bill 846 (Rampsberger), to provide that insurance corporations shall not be charged with the expense of examinations made by the insurance department.

House Bill 1117 (McElligott), inserting in the insurance law a new section (109) providing that casualty insurance corporations may consolidate or merge into one or more corporations with the approval of the superintendent of insurance. The amount of the capital stock of the new corporation must not exceed the aggregate of the capital stock of the merged corporations. The agreement for the merger must be consented to by vote of the majority of the board of directors of each corporation and must be approved by the votes of stockholders owning at least two-thirds of the stock of each corporation. Such corporations within the State may merge with similar corporations formed under the laws of other States.

Senate Bill 267, to re-enact the workmen's compensation law, was passed by the House after amending so that not more than three of the five commissioners shall belong to the same political party.

In response to a general demand for increased insurance facilities against casualties of all descriptions and in order to broaden the field of insurance protection, the State Insurance Department has prepared bills to be introduced in the legislature amending the insurance law in the following respects:

1. Authorizing companies to insure against property loss or damage caused through elevator accidents. At present elevator insurance is restricted to cover employers and public liability for accidents that result in personal injuries to employees and passengers. The proposed amendment will enable the owner to obtain insurance for loss or damage to his own property and for loss or damage to the property of third persons.

2. Insurance of property against water damage will be broadened so as to cover the loss of use or occupancy of the assured's premises. At present, insurance policies covering water damage are limited so as to cover the actual damage to property only.

3. Companies will be permitted to issue a so-called "Householder's Policy," which will cover the assured under one form against employers' liability, public liability, workmen's compensation, burglary and theft, breakage of glass, loss or damage to life or property caused by boilers or other machinery, and damage to property caused by water. Under the present practice a householder is obliged to secure five different policies of insurance in order to obtain insurance protection against all of the casualty hazards previously referred to. It is expected that the substitution of one policy in place of five will effect an economy in the underwriter's office, will facilitate the work of agents and brokers, and will be of considerable convenience to the insuring public.

"The proposed legislation," says a department announcement, "is in harmony with the general policy of the insurance department to recommend such modifications of the law as are necessary to meet the practical needs of the insurance world. Tenants forced out of shops and offices on account of water damage will be able to recover their losses, if insured. Owners and lessees of apartment houses, offices and factory buildings will be in a position to insure against property damage caused by elevator accidents, and the owner or tenant of the dwelling who desires coverage for all casualty hazards will be saved the annoyance caused by a multiplicity of policies."

Senate Bill 907 (Rampsberger), amending the requirements for the annual reports of fraternal benefit societies so as to bring the Supreme Lodge of the Knights of Pythias under the supervision of the insurance department. House Bill 1146 (Horton) is identical.

House Bill 458, to abolish the State fire marshal, failed of passage by one vote. A reconsideration is excepted next week, when it is hoped to pass the bill. It is thought the Senate will refuse to pass the measure.

Governor Glynn has signed Senator Rampsberger's bill adding a new section, 67, to the insurance law, requiring that all premium rates of every employers' liability corporation or association, except the State insurance fund, as administered by the State workmen's compensation, must be approved by the superintendent of insurance.

UNION & PHENIX ESPANOL INSURANCE CO.
MADRID, SPAIN

Treaty Reinsurance

FESTER & FOLSOM
Incorporated
UNITED STATES MANAGER
123 William Street, New York City

COMMERCIAL UNION ASSURANCE CO.
LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.
55 JOHN STREET, NEW YORK.

Digitized by Google

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY 1st, 1913.

Assets	$2,464,562.05
Surplus in United States	1,018,318.63

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.
" THE COMPANY THAT WORKS WITH YOU "

CAPITAL,	$100,000.00
SURPLUS TO POLICYHOLDERS,	182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

THE Fidelity and Casualty Company of New York

92 Liberty Street
NEW YORK, N. Y.

Semi-Annual Statement, June 30, 1913

Assets	$10,824,349.81
Liabilities	7,903,328.86
Capital	1,000,000.00
Surplus over all Liabilities	1,921,020.95
Losses paid to June 30, 1913	42,907,985.38

This Company issues contracts as follows:
Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance; Liability Insurance—Employers', Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians', Druggists', Owners and Landlords, Elevator, Workmen's Compensation—Steam-Boiler Insurance; Fly-Wheel Insurance.

If You Are Dissatisfied

with your income ask about our agency contract, which gives good opportunities for present and future.

We want agents.

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

Head Office TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1913

Assets	$1,746,624.71
Liabilities	1,045,080.89
Net Surplus	$701,543.82

HON. GEO. A. COX, President. W. R. BROCK, Vice President
W. B. MEIKLE, General Manager.

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President
The Manhattan Life Insurance Co.
66 Broadway, New York

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JAN. 1, 1914

Assets,	$2,009,892.00
Capital,	500,000.00
Surplus to Policy Holders,	1,108,033.00

EDGAR J. HAYNES, PRESIDENT

THOMAS L. FARQUHAR, SECRETARY

The Oldest Fire Insurance Company in New Jersey.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength

Incomparable Dividends

Maximum Benefits

Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL

$2,000,000

RESERVE FOR ALL OTHER LIABILITIES

10,479,063

NET SURPLUS

9,245,855

ASSETS

21,724,918

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1914

Total Assets,	$9,154,808.16
Capital Stock,	750,000.00
Net Surplus,	2,558,864.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department

KELLY & FULLER, Agents

59 John Street, New York City

Boston Department

JOHN C. PAIGE & CO., Agents

65 Kilby Street, Boston, Mass.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES

100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

NORD-DEUTSCHE

INSURANCE COMPANY

OF HAMBURG, GERMANY.

ESTABLISHED 1857

Assets January 1, 1914		$1,439,399.53
Liabilities	" "	579,631.12
Surplus	" "	859,768.41

U. S. BRANCH, 123 WILLIAM ST., NEW YORK

J. H. LENEHAN, UNITED STATES MANAGER

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to

GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:
Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

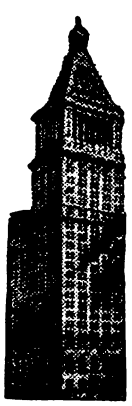
CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

JOHN W. GUNN, Manager.
R. P. FABJ, Assistant Manager.

"IT PAYS TO WORK FOR
THE UNION CENTRAL"
LIFE INSURANCE CO.
OF CINCINNATI, O.



Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

OFFICES FOR RENT in the NEW UNION CENTRAL BUILDING

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

FINANCIAL STATEMENT

THE

American Credit-Idemnity Co.

OF NEW YORK

E. M. TREAT, PRESIDENT

ADMITTED ASSETS

Bonds and Stocks	{ Market Value Dec. 31, 1913 { Insurance Dept.'s Valuation }	$1,101,040.00
Cash,		51,254.74
Accrued Interest,		12,207.79
Premium Notes,		54,276.99
Total		$1,218,779.52

LIABILITIES

RESERVE on Gross Premiums upon all unexpired risks running one year or less from date of policy, unearned premiums pro-rata,		$ 339,516.47
SPECIAL RESERVE on Gross Earned Premiums upon all unexpired risks running one year or less from date of policy, Special Reserve, 50%,		166,210.19
SPECIAL RESERVE for Losses on Policies expiring in October, November and December, 1913,		93,464.34
RESERVE for Claims in Process of Adjustment on Bonds which expired prior to October 1, 1913,		33,122.00
RESERVE for Resisted Losses,		7,850.00
Commissions due or to become due to Agents,		2,735.12
Miscellaneous Accounts (Estimated)		2,000.00
State Taxes Accrued,		11,251.32
Premiums Paid in Advance, 100% (1914 Business),		4,980.00
Agents' Credit Balances,		2,432.77
Contingent Reserve for Guarantees to Policyholders,		8,000.00
Capital,	$350,000.00	
Surplus,	197,217.31	
SURPLUS TO POLICYHOLDERS,		547,217.31
TOTAL		$1,218,779.52

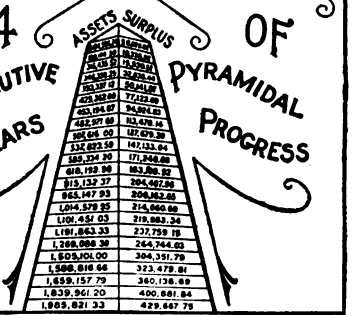
415 Locust St., St. Louis, Mo.

302 Broadway, New York, N. Y.

OFFICES IN ALL PRINCIPAL CITIES

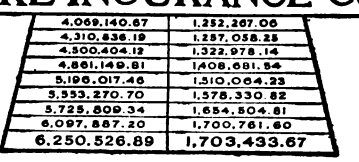
THE COMPANY WITH THE PYRAMID

44 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS



NEW HAMPSHIRE~

FIRE INSURANCE CO.



TOTAL LIABILITIES $2,797,093.22

POLICY HOLDERS' SURPLUS $3,453,433.67

FINANCIAL STATEMENT

OF THE

GLOBE INDEMNITY COMPANY

Home Office: 45 WILLIAM STREET, NEW YORK CITY

December 31, 1913

Admitted Assets	$3,260,421.21
Liabilities (INCLUDING LEGAL RESERVES)	1,904,234.94
Voluntary Reserves for Contingencies	100,000.00
Capital	750,000.00
Net Surplus	506,186.27
Surplus to Policyholders	1,256,186.27

OFFICERS

HENRY W. EATON
PRESIDENT

GEORGE W. HOYT
FIRST VICE-PRESIDENT

A. DUNCAN REID
SECRETARY AND GENERAL MANAGER

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MARCH 14, 1914. No. 11.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

THE question of adequate reserves is receiving constant attention from insurance commissioners and underwriters. In this issue we publish a letter from S. Herbert Wolfe, the consulting actuary of this city, pointing out the possibility of the existence of coverage for which no reserves are being maintained by fidelity and surety companies. About six years ago, in a report which he prepared for three insurance commissioners, who employed him to examine a number of surety companies, Mr. Wolfe pointed out the necessity for providing for losses which could be sustained under bonds which had apparently expired. At that time the question was an academic one, no actual cases having occurred. A decision just handed down by the next to the highest court in New York gives a practical tinge to the theory advanced in 1908.

THE bill in the New York Assembly to abolish the office of State Fire Marshal passed that body on Monday of this week by a strict party vote with two exceptions. The chief instigator of the assault on this indispensable department of official State work was the discredited and ridiculous Sulzer, who voted with the dominant party in the Assembly to put the office out of existence. The motive was undoubtedly revenge, as the office is filled with what he terms the "heelers" of the organization which was principally instrumental in throwing him out of the governorship. It would seem the height of absurdity for the great State of New York—which ought to lead in all conservation movements—to put an end to an important means of preventing fire waste, when nearly all the other States have recently adopted the same resource or are advancing toward it. The State Fire Marshal's office of New York was established three years ago, and Thomas J. Ahearn, who had been the chief of the New York City fire department, was made its head. He was a man of exceptional experience, and had a new field of endeavor open to him, which he has improved. The department has been efficient and helpful, and performed as much good work as was within its capacity. It should have encouragement and enlargement, instead of obloquy. It costs about $175,000 a year to be operated, and it is the means of saving many millions of dollars worth of property. If it is manned by any employees who are merely politicians earning a reward for party service, that can be easily remedied. As to the fate of the abolition bill, it is time that a State Senate, dominated by the other political party, can, and doubtless will, defeat it. But the provision for the expenses of the office is a part of the State appropriations, and these are controlled by the Assembly, which has just voted to kill the office. It would seem that Governor Glynn's influence could be used to advantage here.

AGAIN group insurance is occupying the attention of life underwriters and legislators in at least two States. In New York a bill has been introduced to protect fraternal orders from the "ravages" of the group insurers, while in Maryland a bill introduced would shut off not only the fraternals but everybody else from the benefits of this form of protection. The Maryland bill is the form adopted by the fraternals last summer, and requires medical examination before any form whatever of life insurance can be written, including annuities. A common sense view of the proposition is clearly stated in a recent address by Insurance Commissioner Epsteen, of Colorado, which we give in this issue, one paragraph of which is as follows:

> The fact of the matter is that there is a legitimate place for group insurance in which fraternal societies have no interest, and there is a legitimate place for fraternal societies in which group insurance has no interest. These two classes are not mutually exclusive; there is some overlapping. One can easily conceive that a group policy might be issued on the employees of a firm, some of whom are already in a fraternal society. It is also conceivable that a man may be covered by a $1,000 policy as an employee of a certain firm and might desire some fraternal insurance in addition. In so far as these two classes overlap, it seems to me that the competition between them is fair and legitimate, and should be conducted on an honorable basis without undue antagonism on either side.

The group insurers insist, but the fraternals do not seem willing to accept their statements, that they do not care for such groups as are found in a fraternal lodge or order. As Mr. Epsteen points out in his address, this kind of insurance contemplates groups in which a sufficient selection has already been made by a certain standard of efficiency, as in a factory. This is a well-established principle, and no law should be enacted which will deprive such groups of the advantages of group insurance. But there is a feature of vital importance to the fraternals which they have permitted the group insurance discussion to overshadow. The Mobile law governing fraternals, which is in force in many States, requires that in a few years the societies shall be able to show a certain specified reserve. Where are they going to procure these reserves? Responding to the inquiry of this paper, a well-known actuary says he does not know, and that leads to the question, What will the fraternals do for their certificate holders if they now, by this special legislation, build up a wall which will shut

Digitized by Google

off escape by way of reinsurance? To use a familiar figure, the fraternals are sailing a dangerous sea. They should be protected from pirates, and twisting is piracy. But the fraternal craft has sprung a leak which will mean disaster to their millions of certificate holders if they cannot meet the requirements of the law in the specified time. Will they then realize that they have shut themselves off from help from the stalwart old line craft so close at hand, but whose only response to their call for help will be, "Sorry, but—"? This is something for fraternal members and legislators to think about.

Fire Insurance.

The **situation in Kentucky** is the topic uppermost among the fire insurance companies. A large number of them sent immediate orders to their agents to cease business immediately upon the signing of the Glenn-Greene bill. Most of these companies have received orders from Insurance Commissioner Matt C. Clay to appear on Monday and show cause why their licenses shall not be revoked. It is not apparent that there will be any great rush to Frankfort from this part of the country on Monday. The situation is best summed up, perhaps, in a letter from George L. Payne, an agent at Frankfort, which is addressed "To My Seventeen Companies," and is as follows:

Gentlemen.—The amended State rating bill, enlarging the powers of the State Rating Board and increasing the tax upon fire insurance companies, having passed both houses of our General Assembly, was on Saturday signed by Governor McCreary within a few minutes after it reached his desk. This is the sequel of a long and earnest, clean fight of the fire insurance interests, backed by the leading papers, commercial bodies and large insurers throughout the State. These interests came promptly to our assistance, believing that, if the bill became a law, it would disrupt the fire insurance business in Kentucky and leave the people without ready means of protecting their property by insurance. Should the companies continue under the amended law, and in the face of all the slanderous mouthings and gross misrepresentations of the enemies of fire insurance companies both inside and outside of the halls of legislation, they deserve to lose not only the confidence but respect of those stanch Senators and Representatives, as also the press, commercial organizations, large and small policyholders, who lifted their voices against the measure and the strongest political machine ever organized in this State for a single purpose. It was freely stated on the floor of both houses of the Legislature that all this talk about the companies withdrawing or even suspending was a silly bluff. Shall those few Senators and Representatives and others who opposed and openly fought the measure from the standpoint of fair play and stood for what they believed to be in the interests of both policyholder and company now be shining marks for ridicule and scorn, or will the fire insurance companies, by prompt action, vindicate them? This is the question. Speaking for myself, and one who was in the thickest of this fight from its opening to the day of defeat, and who for the past twenty years or more has been on the firing line when other objectionable legislation was to be fought out, I now make the solemn pledge to myself that I shall never again open my mouth or become interested in fire insurance legislation if the fire insurance companies do not resent this further unwarranted political control of their business by prompt suspension of all agencies in the State of Kentucky.
Very truly, (Signed) GEO. L. PAYNE.

The Home, which had previously been expected to remain in the State, will renew its farm risks as they expire, but will seek no new business. An announcement by the Continental group is expected shortly.

A meeting of the officers and executive committee of the **National Association of Insurance Agents** with a number of executives of State associations was held at the Hotel Astor on Wednesday and Thursday, at which many important questions were discussed. It was decided that the annual meeting of the association shall be held at Minneapolis in August or September, the exact date to be determined by the executive committee after conference with the Minneapolis agents. It was also decided to continue the *Weekly Bulletin*, which has been published for some time, and there was a feeling that the *American Agency Bulletin*, which is now printed monthly, may be changed to a weekly later. The casualty department of this paper will be continued. The meeting also distinctly favored the proposition to amalgamate with the new National Association of Casualty and Surety Agents, and will recommend this to the annual meeting. A strong resolution was adopted regarding overhead writing, which will be promulgated in due time, notice first being given the companies. It was voted to support the Kentucky agents in their attitude toward the objectionable legislation just adopted in that State, and to give them such financial assistance as may be necessary until the situation clears. This is the same procedure as was taken during the Missouri trouble. The conference heartily approved the suspension of business following the signing of the Glenn-Greene bill. The proposed Federal supervision of insurance was discussed, as was also the action of the Michigan insurance commissioner with regard to outside brokers and annexes. Among those present at the conference were President C. F. Hildreth, Freeport, Ill.; Secretary H. H. Putnam, Boston; E. C. Roth and C. H. Woodworth, Buffalo; George D. Markham, St. Louis; A. W. Neale, Cleveland; Fred Guenther, W. A. Eldridge, Detroit; L. H. Stubbs, St. Joseph; Walker Taylor, Wilmington; F. S. Hammond, Haverhill, Mass.; Loyal Durand, Milwaukee; E. H. Forry, Minneapolis; W. H. Hickok, Burlington, Vt.; H. A. Logue, Pittsburgh; F. C. McElroy, Columbus, Ohio; A. A. Ankenbauer, Cincinnati. Messrs. Hildreth, Putnam, Stubbs and Ankenbauer left on Friday for Atlanta, where they are to participate in a meeting of State insurance agents.

The **losses by fire in the United States and Canada** during the month of February, as compiled by *The Journal of Commerce*, aggregate $21,744,200, as compared with $23,204,700 in January and $22,084,600 in February last year. The losses thus far this year reach a total of $44,948,900, as against $42,277,850 credited against the same time last year. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912:

	1912	1913	1914
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
Total, two months	$64,254,800	$42,277,850	$44,948,900

The large fires during February, of which eighteen are reported as causing an estimated loss in each instance of $200,000 or over, include the following more important ones:

Italy, Texas, cotton compress	$340,000
Clinton, Texas, compress and cotton yards	1,000,000
Chicago, Ill., grain elevator	900,000
Westbury, L. I., dwelling	260,000
Hartford, Conn., railroad depot	300,000
Binghamton, N. Y., hardware store and other	300,000
St. Louis, Mo., rubber works and other	500,000

Our contemporary adds: "The fire underwriters have had a hard experience so far in 1914, the heavy fires being in insured risks and not on public buildings, forests and other property not carrying insurance. Apparently the current year will be an unfortunate one for many fire insurance companies."

One of the interesting annual tabulations is that prepared by C. W. Fracker, Iowa State agent for the Springfield Fire and Marine. His **figures for Iowa for 1913** have now been completed, and they show that the Iowa stock companies wrote net premiums of $1,014,520 in 1913, with a loss ratio of 58 per cent. The 1912 premiums were $2,195,943, with a loss ratio of 54 per cent., three of the companies having reinsured during 1913. The Iowa mutuals wrote net premiums of $1,068,274, with losses of $646,474. This is an increase over 1912, the mutual premiums

Digitized by Google

for that year being $820,224, with losses of $368,607. Most of this gain was achieved by the Iowa mutual tornado companies, which showed an increase of nearly $250,000 in premiums in 1913, as compared with 1912, largely due to the tornado in the western part of the State on Easter day, which made a great demand for windstorm protection. The total Iowa premiums for 1913 were $8,804,708, with a loss ratio of 63 per cent., as compared with premiums of $7,569,751 in 1912, with a loss ratio of 58 per cent. The American stock companies wrote $4,033,973 in 1913, with a loss ratio of 60 per cent., and the foreign companies $1,439,927, with a loss ratio of 63 per cent. The Union companies wrote premiums of $5,473,900, with a loss ratio of 61 per cent., and the Bureau, Iowa and Mutual companies premiums of $3,330,808, with a loss ratio of 65 per cent.

On Tuesday of this week a meeting of the special committee named by the National Convention of Insurance Commissioners to prepare a revision of the **New York standard fire insurance policy** was held at the New York city office of the New York Insurance Department, and numerous changes to the form prepared last year were considered. Practically none of them were adopted, however, and a bill to substitute the revised form for the present policy will be introduced in the New York legislature at once. The members of the committee present were the chairman, Insurance Superintendent Emmet, and the commissioners from Wisconsin and Connecticut, H. L. Ekern and Burton Mansfield. Minor changes in phraseology were ordered to conform to practices in some of the States, and it is expected that the bill will be offered for adoption in practically all of the States next year. It is pointed out that no radical changes are made from the meaning of the present policy, so that the court decisions of the past twenty-seven years will still govern the provisions of the new policy.

A reinspection of the conditions at **Memphis, Tenn.**, with respect to the **conflagration hazard** shows that improvements have been made. The latest report of the engineers of the National Board of Fire Underwriters says:

> In the congested value district conditions have been somewhat improved, as detailed under building department, in the amount of new fireproof construction and some additional automatic sprinkler equipments. The fireproof construction east and west along the vicinity of Madison avenue tends toward the establishment of a fire barrier between the sections of the district on either side, but this cannot as yet be regarded as an effective one.
>
> The predominating and congested weak structural conditions create a high potential hazard, and the probability of serious group and block fires is still high. The strength and equipment of the fire department have been materially increased and other improvements made which tend to promote efficiency, but the fire alarm system is still inadequate. The water supply is ample and its reliability has been improved. In the event of serious simultaneous fires in the district, conditions are liable to arise beyond the ability of the fire department to handle. However, the serious conflagration hazard existing in 1909 has been somewhat moderated.

At the annual meeting of the Chicago **Underwriters' Salvage Company** this week the following officers were elected: President, H. C. Eddy, Commercial Union; vice-president, E. G. Halle, Germania; secretary and treasurer, A. R. Monroe, Queen; directors, T. E. Gallagher, Ætna; A. G. Dugan, Hartford; W. M. Patton, Northwestern National; George M. Lovejoy, Phoenix of Hartford, and W. S. Warren, Liverpool and London and Globe. E. G. Halle was elected chairman of the executive committee and C. H. Barry, of the Pennsylvania, chairman of the finance committee. Resolutions of sympathy were adopted for W. W. Thomas, manager of the company, who recently suffered a stroke of paralysis.

The following **committee on fire prevention** has been named by Commissioner Hathaway of the World's Insurance Congress: H. I. Simpson, superintendent of agents of the New Hampshire Fire, San Francisco, chairman; Willard Done, Insurance Commissioner, Salt Lake City; Powell Evans, Philadelphia Fire Prevention Commission; T. R. Weddell, insurance editor *Record-Herald*, Chicago; W. T. Benallack, Michigan Inspection Bureau, Detroit; Sam F. Woolard, chairman fire waste committee, Transmississippi Commercial Congress, Wichita; F. G. Ainley, special agent, Los Angeles; Garner Curran, Deputy Commissioner World's Congress, San Francisco.

On Thursday afternoon next Thurston C. Cuyler, resident engineer of the Department of Water Supply in the Croton Watershed, **will address** the members of the **Insurance Society of New York** on "The Croton Water Shed Supply to the City of New York: As it was, As it is, and As it will be." The meeting will be at 5.15 P.M. in the board room of the New York Board of Fire Underwriters.

The subject of **classification of losses** was discussed by Chairman Ekern, of the committee on classifications of the National Convention of Insurance Commissioners, and United States Manager E. G. Richards, of the North British and Mercantile, who is chairman of a committee of the National Board of Fire Underwriters, to work out some plan for a uniform classification.

The **indictments** against Insurance Superintendent Potts of Illinois and Examiner Yontz have been **quashed.** The Assureds National Mutual Fire, which instituted the proceedings against the department officials, has assessed its policyholders 60 per cent. and in the announcement attacks the insurance department and the stock companies.

Excess commissions were significantly referred to at the meeting of the **New York Fire Insurance Exchange** this week, which was the first at which the new president, George W. Hoyt, of the Liverpool and London and Globe, presided. A well-deserved tribute was paid to the retiring president, Frank Lock.

The Nebraska insurance department has ruled that a **license** to transact business **must be in actual possession** of agents before any business can be transacted by the agents. The previous practice of putting agents at work upon application for the license is not to prevail hereafter.

A receiver has been appointed for the **Monaton Realty Company,** the real estate concern whose circulation of certificates resembling life insurance policies drew the attention of the New York Insurance department to their operations.

The **Iowa State Live Stock Insurance Company** is being organized in Des Moines, with D. J. Gibson, State veterinarian, as president, and S. A. Court, secretary. No agents will be employed, the stockholders furnishing the business.

The national Board of Fire Underwriters has promulgated books of rules and requirements regarding **Dip Tanks and Shut-off Valves,** their construction and installation, as recommended by the National Fire Protection Association.

The nineteenth annual convention of the **National Association of Manufacturers** is to be held at the Waldorf Astoria May 19 and 20. The programme will, as usual, devote much attention to fire and accident prevention matters.

The executive committee of the **South-Eastern Underwriters' Association** held its March meeting at the Waldorf Astoria on Wednesday. It was announced that nothing outside of routine business was transacted.

Digitized by Google

The **Western Union** has elected to its membership Secretary Edgar P. Luce of the Franklin Fire of Philadelphia and Harry A. Sundberg, of Minneapolis, general agent of the Svea in Minnesota and the Dakotas.

The proposed expense reduction plan originally scheduled for Louisville in common with other large cities of the West has been **sidetracked** for the time being on account of the Kentucky situation.

The **Yorkshire** is negotiating for the purchase of the Guarantee Society, Ltd., which is the first company to write surety bonds in England. It also writes fire and casualty insurance.

The law governing **smoking in New York city factories** will be interpreted as liberally as safety will permit, according to an announcement by Fire Commissioner Adamson this week.

A meeting of the **fire prevention manual** committee of the National Fire Protection Association was held in this city last week. Work on the book is progressing satisfactorily.

Although the bill to abolish the **New York State fire marshal** department has been adopted by the House, it is not believed the Senate will concur. The matter is purely political.

The **Hamburg Assurance Company** of Hamburg, Germany, has been licensed to write fire insurance in New York through Mutzenbacher & Ballard.

The Globe and Rutgers has **discontinued** automobile business **in Mississippi,** having had a decidedly unsatisfactory experience the past year.

Missouri is **attempting to collect taxes** from companies which did not resume writing in that State after the "late unpleasantness."

The Insurance Company of the State of Pennsylvania has **reinsured** its vessel business and will discontinue the class.

The **fire losses in St. Louis** for 1914 have already consumed practically one-half the premium income for the year.

It is understood the brokers will take no steps to test the **Michigan ruling** regarding outside brokers and annexes.

The home office of the Michigan Commercial at Lansing was **damaged by fire** Wednesday, but all records were saved.

The **Mormon Church** has decided that hereafter no fire insurance will be placed on their meeting houses.

The Stuyvesant has **reinsured** its business in Louisiana, Mississippi and North Carolina with the Westchester.

The German of Pittsburgh has **reinsured** its Iowa business with the Globe and Rutgers of New York.

The **American Central** of St. Louis has voted to transfer $1,000,000 from capital to surplus.

Fire insurance on the Woolworth building is being written at a .315 rate for three years.

The **Cotton Insurance Association** has re-elected the officers who served last year.

The Globe and Rutgers is preparing **to enter the ocean marine field.**

Life Insurance.

The report of the examination of the **Order of the Golden Seal** by the New York Insurance Department has been filed at Albany. The examination was made as of September 30, 1913, by Examiner John E. Diefendorf, whose report includes some pointed criticisms of methods prevailing in the handling of the general expense fund. The total unadmitted assets are given as $74,768.78, and the total admitted assets as $641,875.54. The total liabilities are $356,569.52, leaving a balance of $285,306.02 for the protection of the certificate contracts in force. The total income for the nine months of 1913 was $306,586.07 and the total disbursements for the same period were $673,240.40, thus reducing the balance of $1,025,309.27 ledger assets on January 1, 1913, to $658,654.74 on September 30. The report contains a description of the various classes of policies issued, and says of the level premium death benefit plan that the experience has been very satisfactory. Other plans are mentioned without comment. The six-year dividend endowment certificates existing when the company ceased writing this class have nearly all been transferred to other classes, only 407 remaining in force at the date of the examination, with 13 subject to reinstatement, of which 287 were to mature before January 1, 1914. Dividends on these policies have declined from $290.96 in 1908 to $89.79 in 1913. A considerable deficit in the general fund is mentioned, funds to cover which have been borrowed from the benefit (dividend) fund since some years ago. The examination of 1910 disclosed that approximately $157,000 had been so used without any probability that the general fund would be able to return it. Although it was understood that the practice would be discontinued, the examination of January 31, 1912, showed that the borrowing had continued, and that the total overdraft then amounted to $245,628.50. In the report of this examination this was severely criticized and a written promise was filed with Insurance Superintendent Emmet that no further such expenditure from the dividend fund would be made. Notwithstanding this, Mr. Diefendorf finds, the fund has been further drawn on so that the total amount so used to date is $332,768.54, of which $292,442.08 has actually been deducted from dividends of members, leaving a balance of $38,866.46 still unprovided for. The report urges that no part of this latter amount be made up from the benefit fund, but that it be secured from the general fund by means of strict economy. The report criticizes the amounts expended for legal services, which it says are larger than the condition of the order will warrant.

The **Pittsburgh Life Underwriters' Association** at its annual meeting held at the Fort Pitt Hotel, March 6, elected as officers W. M. Duff, of the Equitable Life, president; Harry T. Sawyer, of the National Life of the U. S. A., and A. S. E. Kinsey, of the Metropolitan Life, vice-presidents; George W. Ryan, of the Provident Life and Trust, secretary, and J. M. Kistler, of the Pittsburgh Life and Trust, treasurer. The new executive committee consists of W. M. Wood, of the United States Life, chairman; James C. Biggart, of the Penn Mutual Life; C. E. Brust, of the State Mutual Life; F. C. Pierson, of the Prudential, and Chauncey O'Neil, of the National Life of Vermont. The secretary's report showed a total membership of 283 as compared with 267 at the same time last year.

In January, 1914, the **New York Life** paid in death claims, cash values, dividends and annuities to the beneficiaries of 664 policyholders who died $1,879,376.91, and to 5,803 living policyholders, $3,807,256.91. The living policyholders thus re-

Digitized by Google

ceived over $1,927,000 more than did the beneficiaries of the dead. The causes of death of the 664 policyholders who died during the month were: Heart disease, 90; Bright's disease, 76; consumption, 58; cancers and tumors, 53; apoplexy, 51; pneumonia, 46; accidents, 30; paralysis, 26; diseases of arteries, 22; diseases of digestive organs, 17; appendicitis, 12; bronchitis, pleurisy, etc., 12; diabetes, 11; blood poisoning, anemia, etc., 11; liver disease, 10; typhoid fever, 8; old age, 7; spinal disease, 4; rheumatism, 1; nervous prostration, congestion of brain, etc., 1; all other causes, 118.

The **license** of the National Life Association of Des Moines has been **revoked** by State Auditor John L. Bleakley. This will not affect $30,000,000 of business on the books, except about $6,000,000 which the same official recently declared void on account of non-compliance with the State laws. A demand has been made for the resignation of President Henry Pyle. G. A. Fairly, a department examiner, was removed by Auditor Bleakley on account of dissatisfaction with his reports on the company, and he at once entered the employ of the company.

The Philadelphia Life is **questioning $165,000 worth of policies** on the life of Samuel Caminsky, of New York, who died in December, 1912. The company claims that fraud was practiced in the substitution of another for the applicant when the medical examination was made. In a hearing before Magistrate Appleton in the Tombs police court on Wednesday the former examiner for the company testified that the substitution was made with his knowledge. He had an agreement with the agents, he said, to be "liberal" in his examinations.

The **Manhattan Life,** at a meeting of the board of directors on Tuesday, recognized the completion of fifty years of continuous service with the company of **John Landers,** manager of the Southwest Pacific branch, by electing him resident vice-president of the company at San Francisco with general supervision of the company's Pacific Coast business. William A. Wann was elected to succeed Mr. Landers as manager of the Southwest Pacific Coast branch.

The annual luncheon of the **Greater New York Agency of the Fidelity Mutual Life** was held on Friday at the Hotel Savoy. It was the occasion also of the birthday anniversary of the manager of the agency, Frederick A. Wallis. The new president, Walter Le Mar Talbot, the new treasurer, Francis X. Quinn, and other home office representatives were present and a number of addresses were made. It was an elaborate, enjoyable and profitable occasion.

The secretary of the National Fraternal Congress of America, W. E. Futch, announces that the executive committee of that association has elected **A. R. Talbot,** Head Consul of the Modern Woodmen of America, to represent the Congress to the National Council of the World's Insurance Congress instead of J. C. Root, recently deceased.

Announcement by President Alfred Clover of the **Royal Life of Chicago** is that it will be **ready to begin business** within a few days. Policy forms have been approved by the Illinois insurance department, and the company already has a good agency organization and a substantial amount of business all ready to put in force.

The **annual statement** of the Lamar Life of Jackson, Miss., shows its admitted assets on December 31 to have been $423,973.08, with liabilities, exclusive of capital and surplus, of $272,735.78. The net reserve on its policies amounted to $254,913.37. The company has a capital stock of $104,730 and a surplus of $46,507.30.

The **first tenant** to arrange for space in the new Equitable building, except the Equitable Life Insurance Society, which will occupy three entire floors, is the banking firm of Lazard Frères, which will have quarters on the second floor with private elevator.

A Mississippi report says that the annual reports of the life insurance companies operating in Mississippi show that the **lapses** there during the past year have been very heavy, **due largely to** the great number of **policy loans.**

The Standard Life of San Francisco expects **to begin writing by May 1,** when the name will be changed to the California Standard Life.

Casualty Insurance—Surety Bonding.

A largely attended meeting of the **Workmen's Compensation Service Bureau** was held in this city this week, beginning Thursday. A considerable dissatisfaction having arisen on account of the application of rates in Connecticut, a resolution had been prepared declaring all rates open. This would be drastic, of course, and when it came up for consideration was referred to a committee of five. This brought the matter of prevailing conditions squarely before the meeting, and the matter is expected to be adjusted by the committee. The discussion of the matter resulted in a better feeling than has prevailed for some time. At the opening of the meeting Professor A. W. Whitney, the new manager of the Bureau, made an address which asked for support and indicated that his administration would be a vigorous one. The New York State situation was considered, and a delegation of New York agents was given a hearing, at which the speedy promulgation of a manual and forms was urged. The American Indemnity Company of Galveston, Tex., was admitted to membership. At the session on Thursday the consideration of the New York situation was continued, and a delegation of Chicago agents was also received. The meeting was still in progress as this paper went to press. The offices of the bureau are soon to be moved from the insurance district to a location near the Grand Central station.

The companies writing surety bonds in Mississippi had a **disastrous year,** as shown by the following figures compiled by the insurance department: Premiums, $72,761.22; losses, $106,114.14. The following is a table showing the premiums and losses reported by casualty companies operating in Mississippi to the insurance department of that State:

	Premiums	Losses
Accident and Health	$814,233.55	$344,309.91
Liability	141,623.76	126,547.51
Fidelity	50,473.12	65,538.75
Surety	72,761.22	106,114.14
Plate glass	12,907.55	4,131.11
Steam boiler	23,714.78	7,780.21
Burglary and theft	11,940.36	3,526.23
Credit	6,405.00	4,195.72
Sprinkler	217.26	751.04
Title	1,965.00	.....
Fly wheel	912.36	95.00
Auto property damage	19,910.39	4,036.26
Workmen's collective	41,019.67	21,734.92
Live stock	2,983.51	450.00
Physicians' defense	150.00	.....

The receipts of the Mississippi Insurance Department for the year ending March 1, 1914, amounted to $242,834.

Digitized by Google

The Comptroller of the Currency has approved applications to organize the following **new national banks:** The Franklin National Bank of Washington, D. C., capital $200,000; the First National Bank of Canby, Ore., capital $25,000, to succeed the commercial department of the Canby Bank and Trust Company; the First National Bank of Moran, Tex., capital $25,000; the First National Bank of Galva, Ia., capital $25,000, to succeed the Ida County Bank of Galva, and the First National Bank of Maryville, Tenn., capital $50,000.

Taking advantage of the presence of a large number of casualty insurance men in the city to attend the meeting of the Workmen's Compensation Bureau, President Hillas of the Fidelity and Casualty **gave a dinner** on Wednesday evening at the Hotel Belmont, at which all were entertained. Expensive features of accident and health policies came up for discussion, and opinions were freely expressed. A further conference is to be held, and it is possible that some uniform procedure may be arrived at.

The **Uscasco Service Club** has been organized among employees of the United States Casualty, with the following offcers: President, Henry S. Clarke, chief auditor of the company; vice-president, John L. Sibley, statistician of the company; treasurer, Francis B. Greenway, assistant cashier of the company; secretary, Harry M. Osborn, metropolitan cashier of the company. A correspondence business course is to be taken up.

The **hearing** on the two bills which was in progress at the New York office of the New York Insurance Department as this paper went to press last week resulted in the exchange of views on the matters of reinsurance and the merger of companies, but no changes were made in the form of the bills as proposed, and both were sent to Albany at once, where they were introduced in both houses of the legislature.

The United States Casualty has prepared a pamphlet containing a large number of **questions and answers** on the New York workmen's compensation law, which it is circulating for the benefit of employers and others who are at a loss to know just how the law applies to their individual cases. The document is written clearly and concisely and should afford a wealth of relief to many perplexed people.

The New York Senate has adopted the bill **re-enacting the workmen's compensation law,** amended so as to provide that not more than three of the commissioners shall be of the same political faith. Governor Glynn has announced that he will sign it immediately, so that New York State has what is supposed to be a constitutional workmen's compensation law.

The Great Eastern Casualty has appointed **William W. Schank** to be superintendent of its industrial accident and health department. He will have entire charge of the department and will make an aggressive effort for an increased volume of business. He has had a successful experience and is well equipped for his new responsibilities.

The **American Mutual Compensation insurance company** has been licensed by Insurance Superintendent Emmet to write compensation insurance under the new law. This is the first company so to be licensed. It will be operated in close connection with the American Mutual Liability insurance company of Boston.

The **Louisiana Abstract and Title Company** has been organized at New Orleans with a capital stock of $400,000, and Felix J. Dreyfous as president and M. P. Bouslog as secretary. It is the only title insurance company in Louisiana, and under the law must report to the State Insurance Department.

Dissatisfaction has already arisen on account of the administration of the Washington State industrial insurance plan and demands have been made for the removal of the three commissioners. This is interesting to underwriters, who have long ago predicted that trouble would appear sooner or later.

The **new schedule** of residence and farm liability and workmen's compensation insurance rates, which became effective **in New Jersey** on March 10, is on the same basis as the Connecticut schedule and is a considerable reduction from the previous rates.

After July 1 the accident department in London of the **Norwich Union** is to be under the management of R. Y. Sketch, at present the London manager for the General Accident. Mr. Sketch succeeds R. S. Gilman, who has resigned as of July 1.

The London and Lancashire Guarantee and Accident Company has promulgated its schedule of **automobile liability rates,** which are somewhat below the conference figures, but apply only to private pleasure cars.

The Casualty Company of America is **being examined** by the New York Insurance Department. The examination of the National Surety Company is nearly completed.

The **Clover Leaf Casualty Company** of Jacksonville, Ill., is preparing to enter the weekly disability business, operating first in southern Illinois and Missouri.

In a case covering a Minneapolis city employee the **Minnesota workmen's compensation law** has been held constitutional by District Judge Charles Jelly.

The **London and Lancashire Guarantee and Accident** is expected to apply for a license in Mississippi.

Personal.

AGENCY APPOINTMENTS

Federal Life: F. H. O. Biermann, Chicago general agent for accident and health lines.

German American: Harry Parker, state agent for Alabama, succeeding J. R. Daniell, resigned.

Germania Fire: A. H. Birrell, of Portland, general agent for Oregon, succeeding Ed. S. Penfield, resigned.

Globe and Rutgers: J. P. Miller Company, State agents at Syracuse, N. Y., for automobile lines.

Insurance Company of North America: James D. Ogden, of Portland, general agent for Oregon.

International Life: Howard Boon, agency supervisor.

Massachusetts Bonding: L. C. Jeffrey, to manage the home office industrial department, succeeding W. W. Schank, resigned.

Newark Fire: Walter E. Collins, state agent for Ohio and Michigan, succeeding J. H. McFarlane, resigned.

Palatine: Wharton Mitchell, special agent for Florida, with headquarters at Jacksonville. (Also for Providence, Washington and Boston.)

Providence-Washington: W. Rhodes Budlong, special agent for Western Pennsylvania, succeeding John S. Kase.

Security Mutual Life: Herbert G. Hill, general agent for Indiana & National Life, U. S. A.; David L. Hollub, general agent in Indiana for commercial and monthly payment accident lines.

Union of London: E. D. Emory, of Portland, general agent for Oregon, succeeding William M. Patterson.

Williamsburgh City: Luke J. Geeney, of Portland, general agent for Oregon.

Mr. Arthur T. Ranus, special agent for the New York Underwriters in Southern Illinois, was killed in the Missouri Athletic Club fire at St. Louis Sunday night. Mr. Ranus had just been transferred to Missouri, and Milton H. Grannatt, who was to succeed him, left him at midnight in the athletic club, where he had engaged a room for the night.

Digitized by Google

Vice-President E. C. Budlong, of the Bankers' Accident of Des Moines, who has been in California recuperating from a hospital experience, is home again. Mr. Budlong is the man who writes those breezy "Friday letters" to his agents. In the last one he says "We have great hopes for 1914. I believe we can realize them."

Mr. Edward T. Shipman, manager of the plate glass department at the New York office of the New England Casualty, has also been appointed manager of the personal accident and health insurance department at the local office.

Mr. A. B. Tyrrill, for several years with the home office of the Fidelity and Casualty and the National Surety, has been appointed burglary underwriter in the western department of the Globe Indemnity, succeeding C. R. Goold.

Mr. Volney S. Anderson, former secretary of the Salt Lake Fire Underwriters, died in Salt Lake City March 5, after a brief illness, aged thirty years. Mr. Anderson was a native of New York, and went to Utah in 1902.

Mr. David R. Eddy, for over fifteen years with the western department of the Continental and for some years past an examiner, died, March 9, at his home in La Grange, Ill., aged thirty-three years, from ptomaine poisoning.

Mr. George H. Pendergast, for many years president of the Mutual Protection Fire Insurance Company of Massachusetts, has retired from active service, after being in the insurance business since 1873.

Mr. I. Sandeman Allen, general manager and underwriter of the Union Marine insurance company of Liverpool, is in this country on a visit to the leading cities of the United States and Canada.

Mr. A. E. Pinckney has resigned as assistant secretary of the Central Union Fire of Kansas City. He is succeeded by A. H. Sevier, formerly with the Northern and the Calumet.

Col. J. F. Peavey, formerly of the executive department of the Ocean, will hereafter manage the liability department in the New York office of Marsh & McLennan.

Mr. A. M. Nikkelson has succeeded Victor G. Asser, who resigned, as assistant secretary and assistant treasurer of the Twin City Life of Minneapolis.

Mr. Robert Carlson, of San Francisco, has been appointed managing underwriter for the Nevada Fire of Carson City, which is ready to begin business.

Mr. William Francis Law, of the firm of Law Brothers, fire underwriters at Cincinnati, died at Marietta, Ga., February 20, after a long illness.

Manager Charles S. Gilman, of the accident department of the Norwich Union, has announced his forthcoming retirement on July 1.

Mr. J. W. Howard has been elected secretary of the Casualty and Surety Company of Pittsburgh, succeeding J. M. Henry, resigned.

Mr. G. Lacy Crawford, prominent in St. Louis insurance circles, died February 27.

Communications.

RESERVES ON FIDELITY BONDS.

Actuary S. Herbert Wolfe Points Out the Insufficiency of Reserves as at Present Maintained—Effect of Recent Court Decision—Mr. Wolfe Corroborated.

To the Editor of The Weekly Underwriter:

In 1908 I addressed a letter to the Insurance Commissioners of Maryland, Minnesota and Virginia, at the conclusion of an investigation which I made for them of five companies issuing fidelity policies. I pointed out several incorrect practices in the matter of the calculation of reserves, and, among others, mentioned the following:

"In a preliminary to one of the examination reports, I called your attention to the failure of the company to maintain a reserve upon those fidelity bonds under which claim for losses could still be made, although the period of protection had expired. If, for instance, the company guaranteed an employer against the dishonest acts of an employee from January 1 of one year to January 1 of the second year, and the employer had until July 1 of the second year to report any wrong doings, it seemed manifestly improper to me to consider the bond as having been cancelled on January 1."

The Appellate Division of the Supreme Court of New York, in Alexander Campbell Milk Company vs. United States Fidelity and Guaranty Company of Baltimore, has held that surety bonds are cumulative and has awarded a judgment of $6,000 against the insurance company.

It appears that an employee of the milk company was bonded for $2,500 for one year. At the expiration of that time the bond was renewed for successive periods. The employee stole money from the company, his peculations extending over a period of four or five years. The milk company claimed that the bonding company was liable for the stealings of each year up to the amount of its bond, and the Appellate Division has just affirmed the decision of the trial judge, who agreed with the milk company.

I presume that this case will be taken to a higher court for final determination. If it should be held that fidelity companies are liable in this cumulative fashion, it is quite evident that the reserves now being maintained are insufficient.

Yours truly,

S. HERBERT WOLFE.

New York, March 6, 1914.

The Permanent Disability Clause.

To the Editor of the Weekly Underwriter:

The average man purchases life insurance for the protection of his wife and children. Even though he be in sound physical condition, they need the protection. Their need of the protection, and the probability of their having to depend upon it for support, is many times greater when the insured becomes an impaired risk, and is further magnified when the impairment is of such a serious nature as to result in total and permanent disability, with the probability—or possibility—of the policy being soon converted into a death claim.

The practice of "waiving the premium" in the event of permanent total disability is to-day followed by a majority of the companies transacting business in the Uni ed States, and if it be the proper offce of a company to insure a man's life, it is also proper for it to surround the contract with provisions which will give force to the man's intentions when he took the insurance, and secure the protection to his beneficiaries by providing for the continuance of the insurance when it is most needed, namely, when the policyholder has become permanently and totally disabled.

The world goes forward and not backward, and this plan of giving broader protection to the policyholder when his need is greatest, has come to stay, and its progress cannot be checked. When the automobile was first introduced, town and county officials used to take steps to regulate or prohibit their use of the roads, because they scared horses. Those same officials are to-day themselves using automobiles, and have turned their barns into garages.

The companies which have not yet adopted the disability clause are fond of putting out specious arguments pointing out objections to it. The trouble with their arguments is that they are based upon theory, and not upon practical experience. One critic recently suggested that there was bound to be a great difference of opinion as to whether a man was totally disabled or not, and that the fact of total disability could not be established in many cases without litigation. That is the view of those who have had no practical experience in handling disability claims and who want to find objections to the adoption of the practice. As an underwriter dealing daily with policies which include the "waiver of premium" clause, and passing upon claims arising under this clause, I can say that I have not yet seen a claim for the "waiver of premium" where there was the slightest doubt as to the fact of total disability. These claims are not as infrequent as the critics of disability insurance would indicate, and our experience indicates they are wholly of a nature which clearly and permanently disables.

When, for instance, a man is paralyzed as the result of an electric shock, or confined to an asylum because of violent insanity, or to a hospital because of an incurable case of tuberculosis, or to his bed because of locomotor ataxia, there is no room for doubt as to whether he is permanently disabled.

The critics also suggest that the "waiver of premium" provision is not worth much because it does not cover disability arising after age sixty. This is but another evidence of shallow reasoning. The bulk of Limited Payment or Endowment policies are sold at ages under forty, and these policies either have matured or become paid up by sixty. In the case of policies carrying premiums for the whole of life or to an age beyond sixty, the great majority of these are taken at the middle ages of life, and the policyholder has the benefit of the protection afforded by the "waiver of premium" clause during the period when his children, for instance, have not yet become self-supporting, and when the need for the continuance of the insurance, if the policyholder becomes disabled, is greatest. When, however, the policyholder has reached age sixty, if the policy has not already matured as an Endowment or become paid up as a Limited Payment, his beneficiaries are apt to have grown up and become self-supporting, and be in a position to aid him to continue the insurance if disability intervenes; or, the need of insurance having largely ceased through the fact that the beneficiaries have become self-supporting, the policyholder can take his paid-up insurance, or, if he prefers, can take extended insurance for a long period of years. This is not true earlier in the history of

Digitized by Google

the policy, where the situation is then different as to the beneficiaries, and where the amount of the paid-up value is nominal, or the period for which extension can be procured short.

The truth is that the "waiver of premium" clause gives protection where and when it is most needed, and at a cost so slight to the individual policyholder as compared with the great benefit granted, should he be one of the fairly numerous number who become permanently disabled, that the plan cannot be otherwise than heartily endorsed by those who have had any practical experience in dealing with it. Each year we see companies adopting it which have previously been hostile or lukewarm toward the plan, and when we read criticisms from those which have not yet adopted it, we are reminded of the reply of a well-known Bishop who was asked for an opinion concerning tango dancing. He stated that in the course of his pastoral duties he had not chanced to see the tango danced, which he suspected was likewise the case with most of those who were so vigorously criticising it in the newspapers.

WILLIAM C. JOHNSON.

Boston, March 12, 1914.

Miscellany.

Commissioner Epsteen on Group Insurance.

Insurance Commissioner Saul Epsteen of Colorado delivered a lecture on "Group Insurance" before the Scientific Society of the University of Colorado on March 2, in which he discussed the subject fully. He took the general ground of favoring the proposition, and said in part:

It is perfectly obvious that a life insurance company cannot insure every one who applies for a policy. If it did it would soon become insolvent, for every consumptive, every person suffering with Bright's disease, with cancer, would at once hasten to take out a policy, and the death rate would become abnormal. It is therefore necessary to *select* the risks. The method of selection has heretofore always consisted of a medical examination. In other words, the selection was medical selection—we knew no other kind. No one ever thought that there could be any selection other than by medical examination.

During the last few years it has been discovered that a different kind of selection could, if properly construed, take the place of medical selection—in other words, the term "selection" has been generalized—its meaning has been enlarged, and this, to my mind, is one of the inner secrets of Group Insurance—a generalization, an extension, an enlarging of the meaning of the word *selection*.

THIS DOES NOT MEAN

that there will no longer be medical examinations for life insurance. On the contrary, there will be just as many examinations as ever. Every one who wants an individual policy will have to be examined by a physician. But when entire groups are insured there will be an inspection of the group in place of the medical examination of the individuals. The examination of an individual by a physician is replaced by the inspection of the group by a competent inspector.

Where the physician examines the individual's heart, lungs, blood pressure, the inspector investigates the group as regards the environment and general conditions under which the members work and live; he determines the general physical fitness of the individuals, he sees if they are provided with good drinking water, if they have light, airy working quarters. The physician in the ordinary examination of an individual determines if he has average good health. The inspector, in the investigation of a group, determines if the members live under average modern conditions as regards reasonable hours of labor, wages, sanitary conditions. From this brief description you doubtless grasp the analogy, the parallelism, between the selection of an individual by medical examination and of a group by a proper inspection.

ONE HUNDRED PERSONS OR MORE

employed by the same firm or corporation, living and laboring amid uniform conditions, subject to similar hazards and therefore showing sufficient homogeneity, constitute a group. One large corporation in Chicago has insured 2,500 employees to an aggregate of $4,000,000. Another large establishment has insured its 3,500 employees in one group. There is no necessary upper limit. Of course, if the group is too large for one insurance company to handle it would be necessary to reinsure the excess with another company.

THE THEORY OF GROUP INSURANCE

is that if a group is acceptable as a whole the company can take the risk of all the members of the group even if some of them are not up to the medical standard required in individual cases; while a few individuals may be below normal, there are others above normal, and the average of the group as a whole may be fully acceptable. The idea is that people who are working every day for the same concern are in good health or they would not be able to retain their employment. It is reasonable to suppose that it ought to be possible to insure almost everybody on *some* basis, and by the group method it is possible to insure persons who would not be acceptable on the individual plan.

Under the ordinary individual method one insures for $1,000, $2,000, $2,500, $5,000, $10,000. A group policy may be on the same plan if desired; that is, every employee may be protected to the extent of $500 or $1,000, etc. However, a second plan is frequently adopted, and there is much to recommend it. The insurance may be for one year's wages. Under this method, if a man who is earning $100 per month dies, his family receives $1,200; if one who is earning $125 per month dies, the family receives $1,500. This plan may be called "insuring the pay roll," since the total amount of the group policy is exactly equal to the annual pay roll of the firm. The premium is paid by the employer, not by the employee. For ordinary occupations it is found that from 1 per cent. to 1½ per cent. of the pay roll is an adequate premium.

TO MAKE THE MATTER PERFECTLY CONCRETE,

let us assume that this university has an annual pay roll of $150,000; that every professor and instructor were insured on the pay roll plan. If any one died, his wife would at once receive from the insurance company a year's salary in advance. To obtain this protection it would cost the university, say, 1½ per cent. of $150,000, or $2,250 per year. Obviously, this is a very small charge. Is it adequate? As I look back on my own nine years in the institution I recall that there has been only one death in the faculty. In the entire thirty-eight years of the history of the university there have been only fourteen deaths. So you see the rate is not only sufficient, but, it happens, even too large in this particular instance. Of course, a university faculty is a superior group. You understand how to conserve life. The insurance companies figure upon average groups and have to allow for a higher death rate.

Note, too, another interesting fact. While the individual members of the faculty are constantly growing older, the average age is practically unchanged. Some professors leave each year to go to some other institutions, and younger ones take their places. As a result the average age does not change materially, and therefore the premium will not advance on this account. The same principle applies generally. If a group policy were issued to cover all the employees of some large department store of Denver, it would be found that the average age will remain substantially unchanged from year to year, owing to the fact that some employees are always severing their connections with the firm and others are taking their places.

The foregoing suggests, naturally, an important provision of a group policy, viz., the insurance ceases the instant the employee resigns or is discharged.

THERE IS A WIDESPREAD PUBLIC FEELING

that the cost of insurance is too high. Much may be said on this topic. On the one hand, the public has itself to blame for some of the cost by burdening the insurance companies with unnecessary taxes, fees, clerical work to make duplicating reports to State insurance departments. On the other hand, the high cost of insurance is due in some measure to the system in vogue. Group insurance tends to lower the cost. Suppose a policy is issued covering the five hundred employees of one firm. The expense of soliciting individuals is eliminated; the insurance company needs to issue but one policy instead of five hundred individual policies as it would have to do if the insurance were written in the ordinary way. The medical examination on the individual plan, assuming $5 per person, would amount to $2,500, while the cost of inspecting the group is but a small fraction of this amount. Administrative economies are effected; there is a saving in premium notices and postage. It is thus obvious that on the group plan insurance can be sold cheaper than on the individual basis.

MANY PEOPLE WHO ARE UNINSURABLE

on the individual plan can be insured on the group plan, for, as already pointed out, a few individuals may be substandard, but they can be insured because the average of the group is high enough, even when they are included.

On the group plan many men are insured who would other-

Digitized by Google

wise be indifferent. They work for small wages and are accustomed to spending every cent earned. Being insured on the group plan, at the expense of the employer, they are likely to become interested and later take out additional insurance on their own volition. In this way they acquire habits of thrift and learn to think forward for the first time in their lives, and to make provision for the future—for their own old age or for the protection of those dependent upon them.

A man working for $1.000 a year does, of course, appreciate a gift of $15 (1½ per cent. of his wages) from his employer. However, an insurance policy on the group plan, which costs no more, is to him a far more substantial gift, and is apt to be more appreciated.

This brings me to the next caption: The function of group insurance in the problems of capital and labor.

The immense industrial expansion of the last forty or fifty years is almost impossible to comprehend. Without doubt we each see the world from some particular, personal angle, and those who grasp the general outline of the situation are few in number. One thing stands out clearly, so clearly that no one can question its accuracy, namely, the distribution of wealth is not equal. Some people enjoy an abundance of worldly goods, and some must struggle hard, bitterly hard, for a scant living.

The industrial problems, the new social, economic and other problems which have arisen in the last half century, are even more varied and complex than the physical problems. It is not at all an unsafe guess that no one person living has a full and comprehensive grasp of the entire social mechanism.

On the one hand, we are told that the poor are constantly growing poorer and the rich richer. Of course, this is a

ONE-SIDED AND NARROW VIEW,

for it is obvious to any student of sociology that the poor are living to-day under better sanitary, hygienic, social and educational conditions than ever before in the history of the human race. On the other hand, a large class of careless and indifferent rich hold themselves to be of better clay, of finer texture, than their less fortunate brothers. Of course, this is also a one-sided and an erroneous view. However, the vast majority of thinking people do not view humanity and human life from either of these extremes. They realize that the world is full of inequalities, of multitudinous problems which must be worked out step by step with painstaking care; that each generation can make but few large contributions and that each individual can contribute but a little mite, an infinitesimal amount.

One of the largest problems before the industrial world to-day is the problem of capital and labor—of the relation of employer and employee. We see constantly, and all around us, employers who are indifferent to their employees, who give no thought to their welfare, and who focus their entire attention on securing the maximum return for the minimum wage. We see also employees who are careless in their work, indifferent to the prosperity of the employing firm, and who focus their entire attention on giving the minimum service for the maximum wage. But such an employer or such an employee is an extremist. Neither one is a fair average representative of his class. Without doubt the average employee aims to give good service and the average employer aims to give fair compensation for the service rendered.

CONDITIONS HAVE CHANGED SO GREATLY

that it is diffcult to execute the good intentions one may harbor. Years ago, when industry was conducted on a small scale, when each employer had no more than eight or ten or a score of men working for him, it was easy enough to come into personal contact with all of them. He could call each one by name, know where he lived, how many children he had; he could assist him in times of special stress, his wife could make a visit if one of the children became ill. But the president and directors of a corporation, employing 3,000 men, cannot, in the very nature of things, know any considerable number of them in this intimate and personal way. The employee, therefore, does not feel any reciprocal attachment to the firm, and as a result he frequently drifts away for no reason at all—on a mere whim.

The enlightened employers of large numbers of men are rapidly coming to appreciate the need of closer relations between capital and labor, between employer and employee. They are beginning to understand that the old impersonal, machine-like selfish attitude to employees does not breed efficiency, loyalty or good service. They are coming to a realization of the fact that it is necessary to banish the old indifference and impersonal relations between the corporation and the workers if they desire to obtain the best and highest sort of industrial efficiency. It is not altruism generally, which guides them, but enlightened selfishness. Personally I believe that enlightened self-interest is better than sentimentalism; that it is better to give a pauper in the slums a job so that he can earn an honest living than it is to give him a ten-dollar bill as charity, and to forget all about him immediately thereafter. Many a man has taken it upon himself to do more for his employees than absolutely necessary, and has found that what he thought philanthropy was only a superior business method.

Many methods have been devised to remedy these evils, to distribute more uniformly the world's wealth, to bring into closer relationship the employer and the employee, to bring about a better understanding between capital and labor. The mere mention of these devices at once suggests some of the most familiar ones: the giving of substantial money gifts at Christmas, the bonus system, the profit-sharing system, old-age pensions, the establishment of clubs, rest rooms, gymnasiums, libraries, summer camps for the employees.

Some of the over-enthusiastic advocates of group insurance claim that this latest device is better than any of the others. I do not believe that group insurance will entirely abolish any of these excellent methods. However, I firmly believe that

GROUP INSURANCE IS A MOST VALUABLE ADDITION

to the foregoing list of devices. It will not necessarily replace any of them, but it will supplement all of them.

Since the employer pays the premium, the employee cannot expect to be insured if he severs his connection with the firm. Consequently he has an additional motive for efficiency and continuity of service and he is unlikely to leave on a mere whim. The firm, of course, gains the amount of time required to train an inexperienced substitute, and society at large gains in that the percentage of floating labor is diminished. It is clear that an employee will be less willing to go on strike when he knows that the firm has voluntarily arranged, by a group policy, to insure a sum of ready money for his wife and children in the event of his death. Society gains by this in that the number of strikes, and consequent industrial disturbances, is diminished.

It can be seen from all this that group insurance is a valuable contribution to the solution of modern industrial problems. The employee is encouraged to become a permanent and efficient member of the community, his mind is relieved of the fear that his family will be destitute should he die during the period when the children are young and when the family burdens would fall heaviest on the widowed mother. The corporation gains through an improved *esprit de corps*. Society gains because there are fewer destitute families dependent on the community, fewer wasteful strikes, a smaller amount of floating labor, and, generally, through the improved social and industrial conditions.

It is doubtless evident to you from the foregoing discussion that I am in favor of group insurance and that I believe it fills an important industrial and economic need. This predicates, of course, that the plan is correctly applied. If it is misapplied much harm could result.

As stated in the first part of this paper, it is necessary that the group should contain some principle of selection, and the obvious principle mentioned is the selection of employees by an employer, who in his desire for good service is likely to insist on a general appearance of good health, on intelligence and physical fitness. However, it would not do at all for an insurance company to issue a group policy on the Democratic Club of Denver or the Republican Club. Because a number of men hold the same political views, it does not follow that there is a selective principle in the organization which would justify an insurance company in issuing a group policy.

WHEN GROUP INSURANCE WAS FIRST INTRODUCED

some agents jumped at the conclusion that they could insure entire lodges or fraternal societies in this way. This is not so, since the members of a fraternal order come from different walks in life, they live and work under dissimilar conditions, and there is not suffcient homogeneity to constitute a group. The insurance companies at once disclaimed any such intention and have consistently, by word and act, maintained this attitude. However, the fraternal societies had heard of this suggestion, their antagonism was aroused, and the fight was on. At the 1913 meeting of the National Convention of Insurance Commissioners a strong attack on group insurance was made by some of the fraternal organizations of the United States.

The fact of the matter is that there is a legitimate place for group insurance in which fraternal societies have no interest, and there is a legitimate place for fraterial societies in which group insurance has no interest. These two classes are not mutually exclusive; there is some overlapping. One can easily conceive that a group policy might be issued on the employees of a firm, some of whom are already in a fraternal society. It is also conceivable that a man may be covered by a $1000 policy as an

Digitized by Google

employee of a certain firm and might desire some fraternal insurance in addition. In so far as these two classes overlap it seems to me that the competition between them is fair and legitimate, and should be conducted on an honorable basis without undue antagonism on either side.

The methods and the problems of group insurance which I have presented to you were purposely selected because they are clear-cut and easy of exposition. You will readily surmise, of course, that questions are constantly arising which are not as easy to pass on as those described in this paper. The subject being a new one, there are few definite rules, few mathematical formulas to follow; good common sense and experience in insurance are the chief guides.

The best analysis of group insurance which I have seen was made last summer by Commissioner Done of Utah. As you know, before a policy may be issued, the form must be submitted to the State Insurance Department, and approved by the Commissioner. Mr. Done held that owing to the novelty and complexity of the problems involved it would be unsafe to give a blanket approval of the form of any group insurance policy. He therefore ruled that in writing group policies in the State of Utah each company should submit to the Insurance Department of that state the details of each particular group it proposed to insure and that he would judge each case on its merits. Without doubt the time will come when group insurance will be so well understood that it will be safe to remove this restriction. For the present it seems to be a very wise and very necessary one. This matter has been carefully studied in the Insurance Department of Colorado. I have also discussed it at considerable length with Mr. Done on several occasions and am completely convinced of the wisdom and accuracy of his analysis. For this reason the Colorado Insurance Department has decided to pursue the same course as the Insurance Department of Utah.

Professor Fisher on Life Extension.

Professor Irving Fisher, of Yale University, addressed the members of the Insurance Institute of Hartford at the annual dinner on Monday on the subject of the new Life Extension Institute just put into operation with Hon. E. E. Rittenhouse as its executive head. Professor Fisher said in part:

In the history of insurance we find that at first the conception of insurance is restricted to the function of trading in risks, i.e., selling for a price (called the premium) the chance of receiving an indemnity (called the insurance). Later a second function is almost invariably added, that of reducing the risks. Such is the natural and inevitable order of the development. The movement toward reducing risks through prevention has been followed by various kinds of insurance, marine, fire, steam-boiler, cyclone, burglary, plate glass accident, etc. When we turn to life insurance companies we find that the reduction of risk by prevention means the prevention of disease and death among policyholders. The problem for life insurance companies was therefore whether life could be prolonged, whether its prolongation would cost the insurance companies less than it would return.

It was once believed that human mortality followed an inexorable law. We now know, however, that the death rate is not the fixed and fatalistic thing it was once supposed to be, but that on the contrary it varies according to many known conditions.

Human life is long or short precisely according to the hygienic conditions under which it is lived. Human life can be prolonged as these hygienic conditions are improved

The special province of the institute will be to study and promote personal hygiene as distinct from public hygiene. To-day, especially in America, personal hygiene is neglected on all sides. In fact, in the United States it is nobody's business. The duty of making a systematic and scientific study of personal hygiene falls neither to government officers, private institutions, nor individuals. When this field is really developed it will mean a revolution, i.e., a reformation in the habits of living of our people.

We have already made contracts with a few life insurance companies and commercial organizations to examine policyholders and employees and have approached some organizations in Hartford. It is expected that several of the Hartford companies will enter into contract with the Life Extension Institute, but in most cases the matter has not yet progressed to the point where a definite statement can be made. I may, however, say that in all probability the Connecticut General will soon make a contract with the Life Extension Institute, although the officers have not yet decided in exactly what way or to what extent.

The life exension service of the institute beside that offered to policyholders in companies contracting with it includes provision for health examinations for individuals applying directly, for schools, for members of clubs and similar organizations, for employees of business enterprises. That is, the institute stands ready to contract with any individuals, or groups of individuals, to furnish periodic examinations supplemented by regular health bulletins. To put it briefly: The institute will offer the general public a practical life-saving service.

The institute is primarily a philanthropic organization. In order that its service to humanity may be continuous and its existence perpetuated without the aid of charitable contributions the institute has been organized as a self-sustaining philanthropy. The charges of the institute are put at the lowest possible point. Two-thirds of any profits above a small rate of interest will be applied to public use in life extension work in preventive fields that a life insurance company itself cannot well enter. It is a general truth that the best success of any movement is found only when, in a sense, it reaches the self-supporting stage. Ordinary philanthropy is keen to lead the way to reform, but becomes a broken reed if depended upon for its support continuously or on a large scale. With the exception of the active administration officers on the board of directors and the H. R. B. donate their services to the institute as a contribution to human welfare.

One of the most important functions which the Life Extension institute will perform from the viewpoint of public service is in more promptly introducing new advances in medicine. It will be able to crystallize the best opinion in one authoritative statement that will reach every physician in the country and which every physician in the country will respect from the character of the men sending it forth.

Insurance Legislation.

Kentucky.

FRANKFORT, March 12.—Senate Bill 324 (Speer), to allow credit in reductions of liabilities to insurance companies for re-insurance in unauthorized companies, only upon paying 2 per cent. premium tax of such re-insurance, has been favorably reported by the House insurance committee.

House Bill 205, for a workmen's compensation law, was defeated in the House.

House Bill 275, the Insurance Rating Board Bill was signed by Governor McCreary this afternoon. It is rumored that the validity of the law will be attacked in court, on the ground of a the Senate and has been reported in the House.

Senate Bill 121, regulating co-operative companies, has passed defective title.

The legislature will adjourn *sine die* March 17.

Maryland.

ANNAPOLIS, March 6.—The House committee on Insurance and Loans is preparing a combination workmen's compensation bill from three of the measures already introduced, the Trippe-Shehan bill being made the basis, with good points added from the Hammond and Archer bills. There is little prospect of the enactment of any workmen's compensation bill.

Bills introduced:

Senate Bills — (Maloy), to provide for the naming of beneficiary under life insurance policies, and make provision for the payment of the funeral expenses of the insured.

House Bill 667 (Ebberts), drafted by the fraternal societies, to prohibit group life insurance. It has not yet reached the committee on Insurance and Loans to which it was referred, and the date for a hearing has not been fixed.

It is understood that House Bill 667, to prohibit group insurance, was prepared by General Andrew C. Trippe, father of Speaker Trippe, who is strongly advocating the legislation. It is said that no compromise will be accepted.

Friday, March 27, has been fixed as the time limit for the introduction of bills.

Mississippi.

JACKSON, March 12.—House Bill 499, the compulsory investment bill, was amended in the minority report as follows:

Digitized by Google

Strike out the words "to have deposited with the State Treasurer of the State of Mississippi, or such officer as may be designated by law" and substitute "to purchase"; change "75%" in line ten, Section 1, to "50%"; after the word "bonds" in eighth line, Section 1, insert "levee district, drainage district, road, county, or other bonds approved by the Attorney General"; after the words "legal reserve" in the eleventh line, Section 1, add "less amount loaned or advanced to policy-holders on policies." In line four, Section 2, change "3½%" to "not more than 4%."

It is not expected that the legislature will be able to adjourn by March 14, the date selected some time ago.

New Jersey.

TRENTON, March 12.—Senate Bill 211 has been reported favorably in the Senate. It provides that every insurance company shall report all premiums received from other companies for reinsurance, also the amount of premiums paid for reinsurance in domestic, other-state, and foreign country insurance companies.

Bills passed:

House Bill 477, to restrict reinsurances, passed the House.

The Legislature has adjourned until March 16.

New York.

ALBANY, March 12.—The bill by which the workmen's compensation law, enacted last year and twice approved by Governor Glynn, was re-enacted, was adopted in the Senate on Thursday, and it is understood that Governor Glynn will sign it promptly. The only amendment was to provide that not more than three of the five commissioners shall be of the same political faith. It is expected that the nominations for commissioners will be sent to the Senate Monday night.

Bills introduced:

Senate Bill 1002 (Rampsberger), being the bill published last week for the organization of multiple reinsurance companies.

Senate Bill 1003 (Rampsberger), being the bill published last week relating to investments by insurance companies in the securities of other Insurance Companies.

House Bill 1241 (Quick), (Senate Bill 1001, Rampsberger, identical) to limit the annual expenditure of domestic life insurance companies having less than $80,000,000 of Insurance in force.

At a meeting of the Special Committee of the National Convention of Insurance Commissioners to revise the form of the Standard Fire Insurance Policy, held at the New York Office of the New York Insurance Department March 10, it was decided to adopt the revised form as printed in Bulletin 2068-a of the date of March 28, 1913, the only changes being of a minor nature. The bill will be introduced in the New York Legislature the last of this week or the first of next.

Bills passed:

House Bill 458, to abolish the office of State fire marshal passed the House by a vote of 78 to 65. It is not expected that the Senate will concur.

South Carolina.

COLUMBIA, March 7.—The South Carolina Legislature adjourned on March 6. The following Bills were made law:

House Bill 726, relating to additional license fees paid by foreign insurance companies.

House bill 774, to permit members of religious denominations, fraternal orders, and labor organizations to form mutual aid associations.

House Bill 1147 (Senate Bill 678, Laney), relating to the removal of suits to the Federal courts.

House Bill 734 (Senate Bill 412, Mauldin), relating to discrimination in rates.

All other insurance bills were killed or continued.

Virginia.

RICHMOND, March 13.—The General Assembly will close, as to the passage of bills, on Saturday, March 14. The Mobile bill is the only one which has passed both houses. The workmen's compensation bill is off the calendar, and cannot now be considered. Of the other bills, all but four have been dropped. These are Senate Bill 275, relating to underwriters' agencies; Senate Bill 238, defining "12 o'clock noon"; House Bill ——, allowing the deposit of surety bonds, and Senate Bill 334, to relieve companies of taxes on premiums paid for reinsurance in authorized companies.

Each of these bills has passed the house of origin, and is being considered in the other house.

"CHEERFUL YESTERDAYS— CONFIDENT TO-MORROWS."

Our Field force is "Cheerful" over the yesterdays of 1913—both issues and deliveries were larger than in the phenomenal year 1912. Our field force is "Confident" in respect to the "To-morrows" in 1914. Already they have made a fine start, and they face the future fearlessly, filled with faith in their country, with pride in their business and with devotion to their Company. Occasionally we have an agency opening for a delivering producer.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

Digitized by Google

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

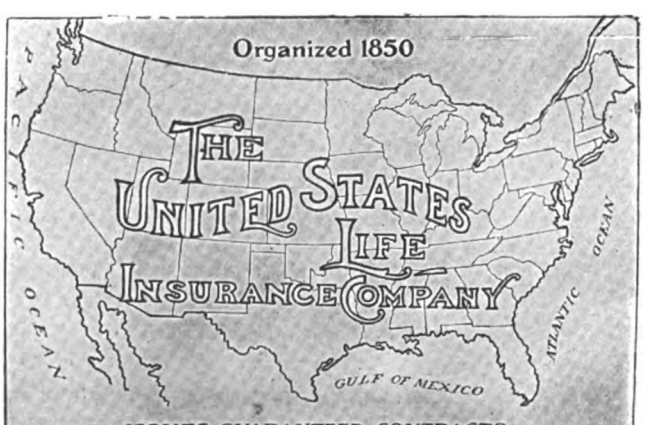
Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:
10 SOUTH LA SALLE AT MADISON STREET

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.



JOHN P. MUNN, M.D
PRESIDENT.
FINANCE COMMITTEE
CLARENCE H. KELSEY
Pres. Title Guarantee and Trust Co.
WILLIAM H. PORTER
Pres. Chem. Nat. Bank
EDWARD TOWNSEND
Pres. Importers & Traders Nat. Bank

Good men, whether experienced in life insurance or not, may make direct contracts with this company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, No. 277 Broadway, N. Y.

COMMERCIAL UNION ASSURANCE CO.

LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.

55 JOHN STREET, NEW YORK.

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK,

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America
FOUNDED 1792
PHILADELPHIA
CAPITAL, $4,000,000.00
FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST
Agents in all the principal cities and towns.
EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.
Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York
REPRESENTING
STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.
COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.
REPUBLIC UNDERWRITERS
Of Dallas, Texas
THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.

Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.

Specimens of Life, Accident or Health policies cheerfully furnished.

For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES

100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

GERMANIA FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

"An agent is known by the companies he keeps"

CONTINENTAL INSURANCE COMPANY OF NEW YORK

The best company for a policy-holder is the best company for an agent.

HENRY EVANS, *President*

HOME OFFICE
80 MAIDEN LANE, NEW YORK

WESTERN OFFICE
332 SO. LA SALLE ST., CHICAGO

Digitized by Google

The Employers' Liability Assurance Corporation

(LIMITED)

OF LONDON, ENGLAND

$5,935,585.61

deposited in the United States for the benefit of United States Policyholders

SAMUEL APPLETON, United States Manager
Employers' Liability Building, 33 Broad Street, Boston, Mass.
DWIGHT & HILLES
Resident Managers for New York State,
56 Maiden Lane, New York.

London & Lancashire Fire Insurance Co., Ltd.

OF LIVERPOOL, ENGLAND

LONDON & LANCASHIRE FIRE INSURANCE COMPANY LTD.

EASTERN DEPARTMENT
Hartford
CONN.

A. G. McIlwaine, Jr.
Manager

PERMANENT AND PROGRESSIVE
ORGANIZED 1886
NORTH AMERICAN ACCIDENT INSURANCE CO.
THE ROOKERY
CHICAGO
AGENCY OPENINGS IN 44 STATES

204TH YEAR

SUN INSURANCE OFFICE

OF LONDON

FOUNDED 1710

United States Branch: 54 PINE STREET, NEW YORK

Western Department:
39 South La Salle Street
CHICAGO

Pacific Department:
N. W. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

MEN WHO CAN DO THE WORK

are offered remunerative positions as field representatives in desirable territory. Good places are always open to the right men—those who can produce applications and collect premiums.

UNION MUTUAL LIFE INSURANCE COMPANY
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address ALBERT E. AWDE, Supt., 396 Congress Street, Portland, Maine.

BANKERS LIFE COMPANY

DES MOINES, IOWA ORGANIZED 1879
Insurance Issued and Restored
1913 (Paid for) $60,907,000.00
Increase in Admitted Assets for Year $2,630,411.43
ERNEST E. CLARK, President

GREAT NORTHERN LIFE INSURANCE COMPANY
WAUSAU, WISCONSIN.

An Honest Contract, sold by Honest Men, by Honest Methods.

Permanent connection for desirable agents to sell life insurance

NEAL BROWN, President
WILLIAM A. FRICKE, Vice-President and General Manager

London Assurance Corporation

CHARTERED A. D. 1720
STATEMENT JANUARY 1st, 1912

Assets in U. S.,	$3,747 331
Liabilities in U. S., including Re-insurance Reserve,	2,520,923
Net Surplus,	1.226,408

Losses Paid in the United States over $29,000,000
CHAS. LYMAN CASE, Manager.
84 William Street New York

"STRONG AS THE STRONGEST"
THE NORTHERN ASSURANCE CO.

(Ltd. of London)
ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid	$85,000,000
Losses Paid in the United States	$28,000,000

EASTERN AND SOUTHERN DEPARTMENTS,
Company's Building, 55 John Street,
New York

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.
OFFICE:
25 LIBERTY STREET.

The Connecticut Mutual Life Insurance Company

President JOHN M. TAYLOR, Hartford, Ct.
Insurance in force, 91663 Policies for $218,304,660

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policy-holders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1913	$287,442,080.61
Total returned to Policy-holders, as above noted, in same period	296,862,956.74
Excess of amount returned	9,420,876.13

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

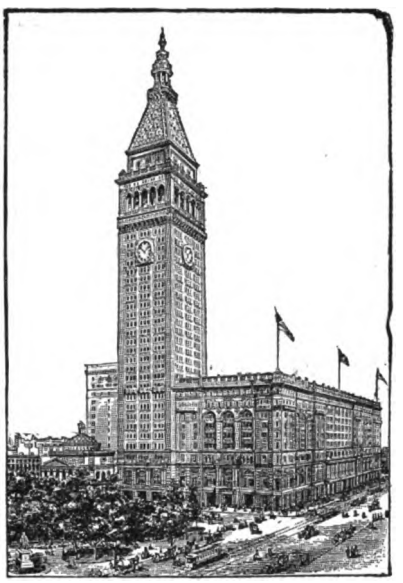
This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc	6,124,489.92
Total	$447,829,229.16

LIABILITIES

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16



Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT,
Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
I. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE,
Manager Intermediate Branch

**Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.**

NOW IN PREPARATION

THE RECORD OF

FIRE INSURANCE BY STATES

The Standard Authority on Fire Insurance Results, Classified by States

The information contained in this record is classified by States for each and every company, and includes:

Risks written . . . . 1880 to 1912 inclusive, and 1913.
Premiums received . 1880 to 1912 inclusive, and 1913.
Losses paid . . . . . 1880 to 1912 inclusive, and 1913.
Losses incurred in 1913.

Loss Ratio for 34 years and for 1913.
Average rate of premiums in each State.
Average loss ratio for each State for 34 years.
Year each company entered each State, and number of years each company has transacted business therein.

PRICE, $15.00 Per Copy ***SOLD ON ADVANCE SUBSCRIPTION ONLY*** **ORDER NOW**

SAMPLE PAGES ON REQUEST

THE WEEKLY UNDERWRITER 80 MAIDEN LANE NEW YORK, N. Y.

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MARCH 21, 1914. No. 12.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

IT IS extremely satisfactory to observe that the Life Extension Institute, which was recently started under the direction of Mr. Rittenhouse, to care for the health of life insurance policyholders is making good progress and that contracts have been closed with a number of life insurance companies and commercial organizations, with others in near view. The work of the Institute will consist of the periodical examination of policyholders as to their physical condition and an educational programme to increase physical efficiency by promoting healthful living and prevention of disease among the public. The field is a very wide one and it has been but meagerly treated up to the present time. Professor Irving Fisher, of Yale University, who is one of the leaders in this movement, speaks of just one class of diseases which costs 90,000 lives annually. At least 70 per cent. of those lives could be saved or prolonged if the insidious malady could be detected in its incipiency. This is an illustration of what this new agent of life preservation can do to reduce the mortality and thus the cost of life insurance. The Equitable Life has just announced a plan of its own for a work of this kind and the movement will undoubtedly spread as time goes on.

THE Governor of New York signed the newly amended Workmen's Compensation bill this week and appointed commissioners to administer its provisions who are upon the whole very satisfactory. If a question were raised as to any one of them it might be to John Mitchell, the labor leader, but he is among the most conservative of his class and if he should show a disposition to be unreasonable his associates are numerous enough to keep him in order. The selection of Mr. Dowling is highly to be commended. He is an organizer of unusual ability and he has had three valuable years experience as a member of the State Factory Commission, which has been a course in the investigation of industrial conditions in the State. Dr. Darlington was backed for the appointment by an extraordinary manifestation of the ecclesiastical element and is a brother of the Episcopal Bishop Darlington. He has been Health Commissioner of the City of New York. Ex-State Senator Wainwright was a member of the Hughes Commission to investigate workmen's compensation needs and was the author of the first State law on the subject, which failed to meet the approval of the Court of Appeals. The present law now goes into effect under the auspices of Insurance Superintendent Emmet, who has been largely responsible for its construction and whose assistance in enforcing it will be material. Of course, like all new laws, it is experimental and open to change by future legislatures. It covers a wide range and enumerates forty-two different classes of labor as hazardous employment. The question of its terms has been so long agitated that it is gratifying to have something definite at last upon which the liability insurance companies, as well as the labor people may build with good assurance of security and permanence.

THE insurance business of the country, life and casualty, will be interested in the forthcoming semi-centennial of the pioneer accident insurance company of the United States, the Travelers of Hartford, which wrote its first policy contract on April 1, 1864. The occasion will be celebrated by the company by a great gathering of its representatives at the home office, some five hundred of them from all parts of the Union having arranged to be present. It is interesting to recall the fact in the early history of this, the most conspicuous of American personal accident insurance companies, that its existence was due to the faith of James G. Batterson in its ultimate success in the face of the most adverse experience. Founded on the rates established by its British predecessor, it lost money from the beginning, and the newness of the idea of accident insurance here caused it to be regarded at first as a joke. It is related in the annals of the company that the first premium paid was by a business man who took insurance protection in going from his home to his office as a matter of fun. But the great founder of the company persevered. The next year the business, with reconstructed rates, began to roll in and so great was the success of accident insurance that in 1865 twenty-five new companies applied for charters to transact this specialty. In time they were all absorbed by the Travelers. In 1866 legislative permission to add life insurance to its business was obtained by the company, and since then it has taken on employers' and general liability and health and sickness insurance. It has grown in size to $88,000,000 in assets and $316,000,000 in life insurance in force. The officers and agents who assemble at Hartford week after next will have reason for laudation in their retrospect of the first half hundred years of the Travelers.

THE STATISTICAL ABSTRACT issued by the Department of Commerce and Labor shows that at the last report of which the Comptroller of the Currency is cognizant the regular life insurance in force in the United States amounted to $18,000,000,000, and that the number of policies representing that sum was 32,000,000. These fig-

Digitized by Google

ures covered $14,578,000,000 ordinary insurance and 7,693,000 policies and $3,423,000,000 industrial insurance and 24,700,000 policies. To exhibit the full sweep of the institution of life insurance in this country, there can be added to the Comptroller's statistics the returns of fraternal and assessment insurance which amount to about $10,000,000,000 insurance in force and 11,000,000 policies. In other words American holders of 43,000,000 life insurance policies look to an ultimate return of $28,000,000,000 from their life insurance investments. The amount is nine times as large as the principal of the public debt. These stupendous figures should serve as a perpetual reminder to policyholders as well as the public, of the vital importance of protecting "the corporate interests of the country from the attacks of their political or communistic enemies." The premiums of the insured are largely invested by their companies in the enterprises of business corporations and to the extent that the earnings of the latter are impaired by unjust legislation the policyholders must suffer. The *Journal of Commerce* expresses this truth pertinently in the editorial from which the following extract is taken:

These investments of their savings give the people an interest in the successful operation of railroads and many industrial corporations. It makes it important for them that the credit upon which the safety of their money, and the opportunity for its investment on an increasing scale depend, should be sustained by adequate earnings. A fair return to railroads for their service to support their credit and enable them to supply ample facilities for an increasing traffic is relatively as important to the wage earner and the depositor of small savings as to the capitalist who invests directly in their securities.

Fire Insurance.

The engineers of the National Board of Fire Underwriters report as follows concerning the **fire hazards of West Hoboken, N. J.:**

The mercantile districts extend along single streets, buildings are low and areas small, but construction is largely frame and there are no fire breaks or barriers; the fire department lacks sufficient pumping capacity and the water pressures are too low for direct hydrant streams. Powerful outside aid is available, but frequent high winds, narrow streets and weak construction result in a high conflagration hazard. Serious group fires probable in residential and outlying districts. Flying brand hazard present only in spots.

Regarding Hoboken the engineers say:

In the brick and frame mercantile districts, except for the few fireproof buildings, construction is decidedly weak, particularly as to light walls and exposed windows; blocks are small to moderate in size, but compactly built; high winds are frequent; private fire appliances are generally lacking. As the water supply is only fair and the fire department, though efficient and fairly well equipped, is deficient in engine capacity and the fire force is weak during meal periods, fires beyond the control of the department are probable in many sections, especially in the frame mercantile and tenement district west of and adjoining the brick mercantile district, where all elements are present and conditions favorable for a sweeping conflagration; the only mitigating features are the tenement occupancy of most of the buildings, making the early discovery of a fire very likely, and the powerful outside aid, but these cannot be regarded as more than slightly reducing the hazard. Most of the large manufacturing plants are sprinklered and the others subject only to individual or group fires. In the wharf district the conflagration hazard is moderate, group fires only being probable.

The annual report of the **Banco de Securos del Estado** at Montevideo, Uruguay, has been received from the American minister, Nicolay A. Grevstad. It indicates a considerable growth during 1913, which is summarized by the Hartford *Times* as follows:

The receipts from premiums aggregated 662,459 pesos (Uruguayan peso-$1.034 U. S. currency), as compared with 354,152 pesos for 1912, an increase of 87 per cent. The losses were 189,403 pesos, of which amount 40,953 pesos was covered by reinsurance, and the total expenses, 466,182 pesos, while the total income, including premiums, interest and the reserve of 1912, aggregated 1,015,151 pesos. The net profits were 482,889 pesos, of which 307,633 pesos were added to the reserve, while 200,256 pesos were paid into the state treasury for the service of the loan of 3,000,000 pesos, which constitutes the capital of the bank. Two new departments were started during the year, one for marine (including river) insurance and one for insurance of window panes and mirrors.

The bank has now 29 general agents, besides local agents for hail insurance in all parts of the republic. The business of the bank is now divided into the following departments or bureaus: Fire insurance, automobile insurance, workmen's accident insurance, hail insurance, life insurance (which is planning to write two new policies, one for popular insurance for workingmen exclusively, and one to insure heirs against default on mortgages placed on property they expect to inherit), animal insurance, marine insurance and insurance for window panes and mirrors.

The bank's percentage of all the fire insurance written in the republic was 23.33 per cent. in 1912 and 35.71 per cent. in 1913.

Affairs in Kentucky are going along much as they did not long ago in Missouri. Led by the politicians, the legislature and the governor have put on the statute books a law under which the fire insurance companies cannot live, and they have, most of them, withdrawn or suspended business. Rage on the part of the officials ensued, which is being followed by a realization of the situation by the business men, who are facing the calling of loans and the foreclosure of mortgages. Asked to call a special session of the legislature to repeal the law, the governor has replied that he will not, since the legislators, upon being canvassed, say they will not repeal it. A company or two is being organized to help the two local companies. A large manufacturing concern has announced its intention to move from the State on account of the insurance situation. The latest is a call by Chairman Ruby Laffoon, of the Kentucky Insurance Board, suggesting to commercial organizations that a hearing be held before the governor at which the insurance situation may be discussed. Missouri is now working to reduce the fire waste and let premiums take care of themselves, which furnishes a good example for Kentucky.

Numerous prominent men in the fire insurance world have signified their intention to attend the dinner meeting of the **Insurance Society of New York** at the Aldine Club next Tuesday evening, when Vice-President David Rumsey, of the Continental, is to speak on "The State and the Insurance Company." Among those from whom acceptances have been received are Insurance Superintendent Emmet, Insurance Commissioner Burton Mansfield, Ogden L. Mills, president of the Safety First Society; Ralph Folks, secretary of the Borough of Manhattan, and Rudolph P. Miller, superintendent of buildings. Among the prominent insurance officials who will attend are Charles L. Case, Henry Evans, Clarence A. Ludlum, Albert R. Hosford, Willis O. Robb, Thomas A. Ralston, J. E. Lopez, W. E. Mallalieu, C. J. Doyle, Cecil F. Shallcross, C. J. Holman and James Marshall.

A report of the activities of the **New York Fire Insurance Exchange** for 1913 has been made by Manager Willis O. Robb, which shows the tremendous volume of business handled. During the year 13,774,925 rate cards were promulgated, an increase of more than 500,000 over the previous year. In April the cards handled were 1,511,005, which breaks all previous records. The increase in the number of schedules handled at the counter was 2,946. The surveys made were 57,533. In the sprinkler department 6,441 inspections were made, 241 new equipments established, with 97 in progress of installation, making a total of 1,319 risks now so protected. There were 41,926 callers at the counter, where 71,265 schedules were handled.

Numerous small stamping offices in Illinois have been closed as a result of the action taken by the **Illinois State Board** on Tuesday. The annual meeting was fixed for June 23, at Lake

Digitized by Google

Delevan, at which time and place the annual meeting of the Illinois Field Club will also be held. The following were made honorary members of the State board: Guy A. Richards, of Richards & Co.; F. H. Burke, State agent of the Fire Association; C. L. French, for many years State agent for the Springfield Fire and Marine; N. E. Bridges, State agent for the North British and Mercantile; R. M. Bennett, of the New York Underwriters, and F. B. Luce, of the Phoenix of Hartford.

The Metropolitan Fire of Kentucky is a new company proposing to meet the fire insurance needs in that State from now on. The officers are to be G. W. Long, of Louisville, former State treasurer, president; W. L. Hazelip, Louisville, first vice-president; O. H. Skiles, Frankfort, second vice-president; S. R. Glenn, author of the recently passed insurance bill, third vice-president, and Edwin G. Morgan, Louisville, secretary and treasurer. The board of directors includes Smith T. Bailey, John M. Davis, John P. Haswell, Jr., W. L. Doolan, Dr. William Phillips, J. W. Herring, G. E. Stopher and D. H. Russell of Louisville and G. L. Green of Hardinsburg.

A brief meeting of the **Eastern Union** was held on Thursday at the Downtown Association, at which routine business was mostly transacted. There was some reference to the situation in Maryland, where foreign companies have to pay for licenses for agents and solicitors while home companies are exempt, also to practices in Newark, where some changes were authorized to conform to the general practice. The satisfactory working of the new New York State dwelling rate was noted. Companies that have not yet joined the Allegheny County Board as reorganized were urged to do so.

A committee has been appointed by Fire Commissioner Adamson **to study the situation in New York regarding arson,** and one member will visit Europe for information on the subject. The committee is as follows: Alfred Marlin, Chamber of Commerce; Frank R. Chambers, Merchants' Association; William P. Brinckerhoff, Merchants and Manufacturers' Board of Trade; Edmund Wright, New York Credit Men's Association; Frank Lock, New York Board of Fire Underwriters, and Alexander H. and Jesse Isidor Straus, New York Board of Trade and Transportation.

The following are some **interesting fire prevention facts** suggested by Charles C. Dominge, who is well known as an insurance engineer and underwriter:

The "fire risk" of a substance is dependent upon two properties: (1) the amount of inflammable vapor that it will liberate or furnish in a given time, and (2) the temperature at which this vapor will ignite. Dangerous substances must possess both these properties, the absence of either one vastly increasing the safety. With regard to oils, the "firing point" is the temperature at which they may be ignited and burned. The "flash point" is the temperature at which inflammable gas is given off. The "boiling point" is the temperature at which oil boils.

For the **first time** in the history of the New York Board of Fire Underwriters a New York City fire commissioner attended a meeting, when Fire Commissioner Adamson was present and addressed the meeting on Wednesday. The subject was the reduction of the fire waste, and the board promised the co-operation of the companies. Both Commissioner Adamson and Fire Chief Kenlon spoke and their remarks produced a distinctly favorable impression. A rising vote of thanks was given the visitors.

The annual report of the **Boston Protective Department** shows the total loss as reported to the department for 1913 to be $4,254,847, with an insurance loss of $4,076,734. This is the highest in ten years, but included in it is the insurance loss of the steamship Templemore in Boston harbor, which amounted to over $1,000,000. The premium receipts from the various companies for 1913 not shown in the report as reported to the department were $4,787,245.

The **Great Northern Fire** is organizing at St. Paul, to have a proposed capital of $500,000. It has filed articles of incorporation and has applied for a "blue sky" license. The incorporators are: John Q. Macintosh, Stillwater, president; George W. La Brand, St. Paul, vice-president; David F. Peebles, St. Paul, secretary; Henry McColl, St. Paul, treasurer; John L. Cohoon, St. Paul, and C. L. Maguire, St. Paul.

At the annual meeting of the **Fire Brokers' Association of New York** on Wednesday the following directors were elected: John A. Eckert, of John A. Eckert & Co.; F. W. Stillman, of F. W. Stillman Company; R. C. Rathbone, 2d, of R. C. Rathbone & Son; Julian Lucas, Jr., of Davis, Dorland & Co., and Warner J. Roberts, of A. H. Aikman & Co. Officers will be chosen at a later meeting.

The Supreme Court of the United States has let another decision day go by without passing on the **Kansas State rating case.** A number of cases have been decided upon which were argued after that case, and the continued delay gives rise to the belief that the points made by the insurance companies have proved difficult or that the court is divided on the question.

Five years in the Federal prison at Atlanta was the sentence imposed on Captain John A. Fish at Boston last Friday for burning his yacht in October, 1910, to obtain $15,000 insurance money. The fire broke out at night, but Fish awakened his guests in time to save their lives.

The **Southern States Fire,** which has passed under the control of the American Mortgage and Loan Company, has elected J. A. Gorham as its president. Mr. Gorham is also president of the controlling company. The Southern States will not take up fire insurance again.

A charter for the **Methodist Mutual Fire** of Statesville has been granted in North Carolina. While authority is given to do a general business, it is the purpose of the company to insure only church property and the personal property of Methodist ministers.

The **Western Insurance Bureau** has decided to hold its semi-annual meeting at Baltimore on Monday and Tuesday, April 13 and 14. The semi-annual meeting of the Western Union will be held at Philadelphia the week previous.

Bills have been introduced at Albany to require the enclosure of **fireproof stairways** in particular classes of buildings of five stories or more in height, also regulating ventilation in factories and fire escapes thereon.

The State and special agents in the Western department of the **Ætna Fire** held their **annual conference** in Chicago on Tuesday. The meeting concluded with a dinner at the Great Northern Hotel.

The license of the **Rimouski Fire,** of Rimouski, Quebec, has been withdrawn by the Canadian insurance department. The company had been in financial trouble owing to losses in 1912.

The Home insurance company has established the **Hibernia**

Digitized by Google

Underwriters to handle the business of the Hibernia of New Orleans, which was reinsured by the Home last Friday.

The **Tennessee Inspection Bureau,** which has been operated by T. L. Leatherwood, has sold the plant to Elliott Middleton, who was manager of the Memphis branch of the bureau.

The chairman of the **Pennsylvania legislative commission** to investigate fire insurance conditions expresses the opinion that the work of the commission can be completed in May.

A New York charter for the **Norwegian Underwriters** has been granted and it will enter other States. Wilcox, Peck & Hughes are the managers.

The **annual meeting** of the International Association of Fire Engineers will be held at the Hotel Brumewald, New Orleans, October 20-23.

Figures compiled from reports to the **Missouri** insurance department indicate that the **1913 loss ratio** in that State was over 84 per cent.

The **Franklin Fire** of Philadelphia has established a **Southwestern Department** at Dallas, Tex., with Gross W. Scruggs & Co.

The Anchor Fire, of Des Moines, and the Potomac Fire, of Washington, have been **licensed in Illinois.**

The **Commercial Union of New York** has elected Clarence E. Porter vice-president.

Life Insurance.

In their latest circular letter to the public Henry Clews & Co., the New York bankers, in alluding to the **present business condition** of the country, say:

The unfriendly attitude of Congress to business and large corporate interests in general remains one of the most depressing features in the situation. Protests from successful business men of high character appear to have little or no effect upon the national Legislature. Success seems to be regarded as a crime. It is high time that the public at large were taught the injurious effects upon themselves of these blind and unrelenting attacks on capital and vested interests. It is not generally known that there are between 17,000,000 and 18,000,000 of savings depositors in the United States, whose deposits aggregate nearly $7,000,000,000, or approximately 40 per cent. of the total bank deposits in the United States. Nor is it generally realized that the mutual savings banks of this country alone have $1,800,000,000 invested in securities, of which nearly $800,000,000 represent railroad bonds. Our life insurance companies also hold enormous masses of securities, largely railroads, of which people in moderate circumstances are the chief owners. If the savings banks depositors, which are largely made up of the working classes, and life insurance policyholders really appreciated how much their own financial interests were being imperilled by the continued political attacks upon railroad and other corporations, they would quickly turn out of office the politicians whose chief capital at present is the unreasoning abuse of American railroads, which, in spite of regrettable misdeeds, are the finest and most efficient in the world.

The **Life Underwriters Association of New York** has adopted a **new plan** for its monthly meeting for the coming year, and instead of spending part of the time at eating, the meetings will be devoted to certain specific topics, with addresses by one or more prominent men. For the March meeting next Tuesday evening, which will be held at the Hotel Astor, the general subject will be "Medical Selection; Treatment of Persons in Hazardous Occupations," with special reference to the information gained through the medico-actuarial investigation now going on. The speakers will be Dr. Oscar H. Rogers, chief medical director of the New York Life, and ex-president of the Association of Life Insurance Medical Directors, and Arthur Hunter, actuary of the New York Life, vice-president of the Actuarial Society of America, and chairman of the central bureau of the medico-actuarial mortality investigation committee. At the conclusion of the addresses there will be an open discussion, and it is hoped that many will come prepared to ask questions. All life insurance men not members will be welcome.

The **Equitable Life** has formally voted **to establish a health service** on July 1, which will provide free medical examinations for all policyholders whose insurance has been in force three years or more in localities where the company has salaried physicians. It is expected to increase the service from time to time as conditions warrant. President Day says of the innovation:

For several years the society has been advising Equitable policyholders to go periodically to their physicians for a physical medical examination in order that any impairment of health may be detected in the very beginning and that the evil may be checked or a cure effected before it is too late. We shall continue to give this advice to our policyholders, but in addition, we have determined to take this important advance step in the line of public service; namely, to offer to make free health examinations and health reports on the basis explained in the accompanying announcement.

Cleveland life insurance men are prominent in a systematic effort **to reduce the burden of taxation in Ohio,** where taxes totaling $1,400,000 are collected from the companies annually. The Cleveland Association of Life Underwriters has appointed a committee consisting of William H. Kinnicutt, James R. Loomis and Charles A. Mooney to prepare data for submission to the next legislature. President Herman Fellinger says of the plan: "The insurance companies themselves are little interested. They have to pay none of the tax. It all is paid by the policyholders. We agents, however, believe it is unfair that the State should levy a tax against the money with which men insure their families against want. If the tax were cut in half insurance companies could pay 10 per cent. more in dividends to policyholders than they now pay."

Argument was had Thursday before Justice Greenbaum on the injunction **proceedings brought by the Equitable Life** to restrain the Union Pacific from barring its preferred stockholders from participation in the $80,000,000 melon apportioned exclusively to the holders of common stock. The company claims that as holders of common and preferred stock would have had to contribute to make up any loss that might have occurred, they should share alike in this profit. The company's attorney contended that since the money with which the profit was made was furnished by the buyers of common stock, they should receive the profits.

The **Insurance Clerks' Mutual Benefit Association** elected the following directors on Thursday: J. F. Hastings, C. A. Ludlum, C. J. Holman and David W. Armstrong, Jr. The following comparison of growth was made public:

	1910.	1911.	1912.	1913.
Gross income	$25,953	$26,919	$31,724	$33,031
Disbursements	29,943	19,801	32,791	17,645
Gross assets	29,304	38,563	39,409	54,604
Membership	1,070	1,303	1,501	1,695
Claims paid	$24,000	$13,000	$25,000	$10,000
Average age	42	40	39	38

The total volume of **business** transacted by the various life insurance companies **in Mississippi** during 1913 is given herewith. The statement includes all companies except one, whose

Digitized by Google

figures will not materially change the exhibit. The figures for 1912 are also given in comparison, as follows:

Business written: 1913, $24,119,724.53; 1912, $21,901,500.23.
Business ceased: 1913, $16,879,402.23; 1912, $15,603,181.40.
Business in force: 1913, $140,221,771.42; 1912, 133,153,902.62.
Losses paid: 1913, $1,402,051.89; 1912, $1,311,318.79.
Premiums collected: 1913, $4,385,487.86; 1912, $4,223,607.64.

The **Life Underwriters' Association of Birmingham,** Ala., at its annual meeting held March 11 elected the following officers: P. E. Ratliff, of the Penn Mutual, president; Lucien C. Brown, of the Germania Life, vice-president; L. M. Harris, of the Germania Life, secretary and treasurer. The following is the new executive committe: Albert C. Chesney, of the Metropolitan Life; W. L. Sessions, of the Prudential Life; G. T. Sibley, of the Equitable Life. The secretary expects to have 250 members enrolled before the next annual meeting.

An examination of the condition of the **American Assurance Company** of Philadelphia by the Pennsylvania, New Jersey and Virginia State insurance departments has resulted in finding an impairment of $48,334, due principally to a difference of opinion as to the value of certain assets. The impairment will be made good by a reduction of the capital from $350,000 to $300,000. The company transacts business in Pennsylvania, New Jersey, Delaware, West Virginia, Ohio, Indiana, Illinois and Maryland.

A communication from President W. H. Hunt, of the Cleveland Life, regarding his action to require the **Universal Life** to permit him, as a stockholder of the Universal Life, to examine the books and records of that company has been appealed and the case will be heard about April 1. Mr. Hunt expects a favorable decision. The action brought to revoke the franchise of the Universal Life was started on information furnished by Mr. Hunt. This action will be replied to within thirty days.

At a meeting of the board of directors on Monday, March 9, Hon. A. C. Johnson, vice-president of the American National Bank of Helena, and recently first vice-president of the company, was duly elected president of the **Montana Life,** succeeding the Hon. W. G. Conrad, deceased. H. R. Cunningham, formerly second vice-president, was elected first vice-president, succeeding Mr. Johnson. Rev. Jacob Mills was elected second vice-president, succeeding Mr. Cunningham.

A news dispatch from Austin, Tex., says that **Texas** has twenty-one **life insurance companies,** seventeen of which were organized since 1909. The five life insurance companies in existence at that time had aggregate assets of $1,806,713 and insurance of about $40,000,000. The record as of March 1 of this year shows that Texas companies now have $170,000,000 of insurance in force and combined assets of about $16,000,000.

The annual meeting and dinner of the **Once-a-Year Club** of insurance journalists was held at the Yale Club on Monday evening of this week. Fifteen men were in attendance, and the usual good time was had. The officers were re-elected as follows: President, Charles A. Jenney, *Weekly Underwriter;* vice-president, Max Cohen, *Views;* secretary and treasurer, Archibald G. Hall, *Surveyor.*

It is reported that opposition to President Kingsley's plan for an organization of life insurance companies to work for **Federal supervision** of insurance comes from President Morgan G. Bulkeley, of the Ætna Life, and the heads of five other life insurance companies of Hartford. It is said that Mr. Bulkeley is opposed to any further concentration of power at Washington.

The organization of the **San Jacinto Life** of Beaumont, Tex., has been completed and the following officers have been elected: president, J. C. Wilson; vice-presidents, H. M. Hargrove, W. H. Stark, C. H. Moore, Ed. Paggi and J. I. Nathan; secretary, E. E. Townes; treasurer, B. R. Norvett. The new company begins operations with a paid-up capital of $100,000 and $10,000 surplus.

The death of George Westinghouse, one of the **trustees of** the stock of **the Equitable Life,** has aroused speculation as to who will be named to succeed him. Mr. Westinghouse resigned when J. P. Morgan purchased the stock, as did Justice O'Brien, but was induced to continue. Some determination as to a new trustee is expected to be announced shortly.

The following officers and executive committee were elected at the annual meeting at Portland of the **Maine Life Underwriters' Association:** President, Ernest E. Decker; vice-president, C. B. Shoemaker; secretary, Sylvan B. Phillips; treasurer, J. Putnam Stevens; executive committee, Thomas E. McDonald, Freeman M. Grant, C. A. La Croix.

The Montana Life Underwriters' Association was permanently organized at Missoula, Mont., on March 3. The following are the officers for the ensuing year: President, I. M. Robertson, of the National Life of the U. S. A.; vice-president, W. I. Fraser, of the Central Life of Des Moines; secretary, W. S. Hoover; treasurer, C. E. Burnett.

The **Crescent Life** insurance company is a new one started at Indianapolis, Ind., with an authorized capital of $100,000. A feature of the company will be that its capital stock will be owned exclusively by members of the Masonic fraternity, but it will not confine its business to Masonic risks. It will be run on the old line basis.

A meeting of the commissioners appointed to appraise the stock of the **Prudential Life** preparatory to the mutualization of the company has been appointed for March 24, when a course of action will be determined upon. All parties interested will be heard. The commission has elected Nicholas W. Bindsell as its secretary.

Rather than make the improvements required—the enclosing of elevator shafts so as to make them fireproof—the Missouri Athletic Club building owners **paid the extra premiums** of $750, and when the building burned last week a number of lives were lost. The city of St. Louis has now decided upon a fire marshal department.

The Northwestern National Life announces that **Gilbert Knudtson,** formerly Northwest manager for the Scandia Life, has taken up the work of field organization of the Northwestern National with the title of field supervisor. He is at present engaged in perfecting the organization of forces in South Dakota.

The **mid-year meeting** of the executive committee of the National Association of Life Underwriters will be held at the Hotel Astor Tuesday, April 21, with morning and afternoon sessions. In the evening the members will be guests of the Metropolitan Life at a dinner in the tower dining room.

The **Puritan Life and Annuity** is being organized at Columbus, Ohio, to take over the business of a large fraternal society. C. J. Lenke is president, and the new company is to be largely manned by fraternalists. It will write a non-participating legal reserve business and will have a capital of $200,000.

Digitized by Google

At the last meeting of the directors of the **Equitable Life of San Antonio,** Tex., Edgar Schramm was elected first vice-president in place of R. H. Russell, resigned; J. C. Tips, Sr., second vice-president, and W. M. Ratcliffe, third vice-president. Carl T. Prine retired as general manager.

The Cincinnati Life Underwriters' Association has set September 15 as the **tentative date** for the annual meeting of the National Association of Life Underwriters, subject to the approval of the executive committee of the national association.

The **North State Life** of Kinston, N. C., has elected the following officers: President, N. J. Rouse; vice-presidents, J. F. Taylor, H. E. Moseley, D. F. Wooten; secretary, A. E. Roundtree; treasurer, J. E. Hood.

The **Merchants' Reserve Life** of Chicago, an assessment concern, is being examined. A committee of policyholders has made charges and a number of suits have been begun.

The name of the Georgia Life insurance company has been **changed** by permission of the Supreme Court of the State to that of the Georgia Casualty Company.

The New York Life has issued a booklet of instruction with regard to the **rating up of applicants** in certain occupations.

The **annual meeting** of the Actuarial Society of America has been fixed for May 21, at the Hotel Astor.

Casualty Insurance—Surety Bonding.

The report of the examination of the **United States branch of the General Accident** by the New York insurance department was filed at Albany this week Friday. It was completed on March 11 as of December 31, 1913, being supplementary to the examination made as of December 31, 1912. The ledger assets on December 31, 1912, were $3,021,615.42, and the total income for 1913 was $4,816,170.13. The disbursements for the year were $4,521,451.94, leaving a balance as of December 31, 1913, of $3,316,333.61. The total admitted assets were $2,867,458.39, and the total liabilities, including $833,958.73 of unpaid losses and claims, of which $563,608 was a special reserve for liability and workmen's compensation claims, amount to $2,389,370.46, leaving a surplus to policyholders, including the $250,000 of deposit capital, of $478,087.93. The figures include a remittance of $582,708.25 from the home office and a credit of $19,105.35 to the home office account, but which was used by the United States branch. A remittance of $25,000 was made to the home office, leaving the balance supplied by the home office at $576,813.60. The report says:

The liability reserve was computed by applying the loss ratio for 1904-8 to the years 1909-13 inclusive, which produced the total of $563,608. This produces a loss ratio for the years 1909-13 of 65.15, 69.26, 68.63, 84.75 and 76.31, respectively. For the years 1909-10 a reserve of $7.50 per suit is carried. For 1911 a reserve of $750 per suit, plus $786 for 28 compensation claims is set aside. For 1912-13 the difference between 63.92 per cent. of the earned premiums and the loss payments constitutes the reserve for these years. On December 31, 1913, 57.4 per cent. of the earned premiums on the 1912 business had been paid out in losses, and there remained outstanding 637 liability suits and claims for compensation aggregating $34,034. To meet these liabilities the company has in its reserve $122,073, an amount which may fall short of providing for these obligations. The loss ratio for the years 1904-8 inclusive amounts to 63.92 per cent., whereas the loss ratio for the years 1909-03 is approximately 75 per cent. While the experience from which the latter ratio is obtained is far from complete, the past experience of this and other companies shows that this ratio may increase rather than decrease. In view of the experience of this company, as shown by the computation of its reserve, I believe that a charge of $1,000 per suit for all years prior to 1912, plus the outstanding compensation claims of the year 1911, and the application of a loss ratio of 75 per cent. to the years 1912 and 1913 would produce a reserve approximately adequate.

With regard to the settlement of accident and health claims the report says:

This corporation shows a disposition to treat its policyholders fairly and to mete out substantial justice to the beneficiaries under its contracts. The settlements criticized by the department in this and previous examinations were reviewed by the corporation and full restitution made in such cases as were finally determined to be inequitably adjusted.

The conclusions of Examiner Jesse Bacharach are as follows:

The present condition of this corporation's United States branch shows a decided improvement over that reported by the previous examination. It is financially stronger. Its underwriting, on the whole, is conducted on sounder lines, although further improvement is essential. Its acquisition cost has been materially reduced. Special effort is being directed toward the audit of payrolls, with good results. Claims are promptly paid and the policyholders are honestly dealt with. The effect of these changes finds but litle reflection in the financial statement for 1913, as they were not fully instituted until the latter part of the year. As a result of our previous examination several recommendations were submitted to the corporation's management. These were accepted and have been honestly complied with. The management has shown every disposition to comply with our requirements and to conduct its business hereafter on a sound and safe basis. Further reforms are being instituted in underwriting methods, and this department has been assured that these will be vigorously carried out. Assurance has been given by the general manager that additional funds of at least $250,000 will be placed in the hands of the United States trustees prior to October 1, 1914.

Accidents, according to the *Preferred Pilot,* are **on the increase,** and the stream of blood that is annually caused to flow by reason thereof is becoming torrential. In railway casualties the increase in deaths during 1913 in the United States over 1912 was nearly 600, and in injuries over 36,500. The increase in number of persons injured by automobiles in 1913 over 1912 was 17 per cent., and over 1911 was 102 per cent., and in killed an increase of 22 per cent. over 1912 and 130 per cent. over 1911. As reported in the columns of the daily newspapers disasters such as storms and cyclones, fires, explosions, electricity, lightning, asphyxiation, and elevators caused 2,851 deaths, and nearly 40,000 injuries, and in addition 7,128 individuals were accidentally drowned. The increase in 1913 in number of killed and wounded by ordinary accidents is conservatively estimated to be not less than 5 per cent. All this makes it convincingly evident that the elements of danger are multiplying and that there is no haven of safety for any individual. Carefully compiled statistics of several accident companies show that claims paid average in number and classification as follows: Travel accidents nearly .25; street car accidents, over .04; vehicles, including automobiles, nearly .10; falls, over .18 (over .08 were falls on the pavements); over .04 fingers crushed; nearly .03 burns and scalds; nearly .03 athletic exercises; over .045 cut with edged tools; nearly .03 falling of heavy articles; nearly .03 while bicycling; .025 lifting heavy articles; .02 eye injuries; nearly .02 blood poisoning; .015 feet injured stepping on nails or glass; .015 toes crushed; over .01 hands lacerated; and over .08 covering a long list of miscellaneous accidents.

The **Workmen's Compensation Bureau** has made its manager, Professor Whitney, chairman of all committees, which it is believed will result in much improvement in the transaction of business. The new Illinois manual has been adopted, to be put in force May 1, when schedule rating will also be adopted there. The rates will be 35 per cent. higher than the present New Jersey rates. Charles H. Holland was designated to represent the bureau on the National Council of the World's Insurance Congress.

Summons was served on Insurance Commissioner Henry of Mississippi on March 14 in the suit of Joe L. Harris of Meridian,

Digitized by Google

Mississippi, against the Alabama Fidelity and Casualty of Montgomery, Ala., and the Florida Fire and Casualty of Jacksonville, Fla. The suit arises out of an accident sustained by Mr. Harris, who accidentally shot himself while out hunting, necessitating the amputation of his foot. The amount sued for is $2,000 against the Alabama Fidelity and $2,500 against the Florida Fire and Casualty.

A special cable despatch of Wednesday from London says that a group of **London Lloyds** underwriters some months ago fixed a premium of 10 shillings ($2.50) for policies of insurance against appendicitis, covering all claims for expenses up to £100 ($500). There have been so many claims that it has been found impossible to continue on these terms. A new syndicate has been formed, however, and the premium has been raised to 20 shillings ($5).

In a decision in the case of a broker against the General Accident, the Appellate Division of the New York Supreme Court, First Department, has ruled that a broker is **not entitled to commissions** on business terminated by cancellation, even when the cancellation is effected for the purpose of making a change of brokers. The decision holds that the right to cancel was a part of the contract and that both parties are bound by it.

The *State Capitol Record*, published at Olympia, Wash., says: "Edward Meath, State treasurer, is **deliberately violating** the plain and explicit **laws** of the State, and by doing so in the past year he has saved for the taxpayers an amount equal to the entire sum appropriated for two years' total expenses of his office." Not a bad fact for the bonding company on this risk to know in these days of technicalities.

An opinion by the attorney general of Ohio is that Ohio owners of shipping engaged in traffic outside the State **must contribute** to the State insurance fund for the payment of benefits to injured workers whose contracts were made in Ohio. On account of the laws regarding State legislation on matters of interstate commerce, there is a question whether the ruling is sound.

All **employers' liability policies** now being written in New York State are carrying endorsements to cover the workmen's compensation risks after June 30. Under the law the employers' liability statutes will still govern outside of the specified hazardous occupations, and both forms of insurance will still have to be written.

Accident and health policy matters are **being discussed at the Hotel Belmont** as this paper goes to press by the executives of most of the companies writing these lines. It was believed prior to the meeting that some uniform provisions might be agreed upon which would operate to reduce the expenses under the policies.

The Comptroller of the Currency has approved applications to organize the following **new national banks**: The First National Bank of Watervliet, Mich., capital $30,000, to succeed the private bank of Parsons & Baldwin, Watervliet, Mich., and the Sorento National Bank, Sorento, Ill., capital $25,000, to succeed the Bank of Sorento.

A pamphlet analyzing the provisions of the new workmen's compensation law in New York has been prepared and **published by Dwight & Hilles**, resident managers for the Employers' Liability of Boston. It answers many questions likely to be asked by employers and others, and should be a very useful publication.

The **Manufacturers' Liability Company of New Jersey** has been admitted to Connecticut, and is writing workmen's compensation business there at about 30 per cent. below other workmen's compensation insurance rates. It reinsures all liability in excess of $15,000 for any one accident.

The **New Amsterdam Casualty** has removed its home office from No. 1 Liberty Street to 59 John Street, where greatly enlarged quarters have been secured. The arrangement of the new offices is calculated to improve the facilities for handling the increasing business of this company.

The Russian dancer, **Annie Pavlowa**, has injured one of her feet and has been obliged to cancel certain engagements. She had $200,000 insurance covering injury to her feet, and there is widespread interest as to what company carried the risk and how much the dancer will get.

The Fidelity and Deposit announces the **resignation of B. F. Cator** as vice-president and manager of the agency department, which will now be under the joint management of Charles L. Miller and William Hugh Harris. Fred S. Axtell continues as agency comptroller.

Rules for the adoption of the **analytic schedule** for employers' liability risks **in New York** have been adopted by the Workmen's Compensation Service Bureau and have been approved by the New York Insurance Department. The rules are effective as of March 1.

The **Utica Mutual Compensation insurance company** has secured the services of John L. Train as its manager. Mr. Train was engaged in the examination of the National Surety, which will now be continued by Chief Examiner Arthur F. Saxton.

The **General Accident** has appointed E. O. Howell and Walter L. Schnaring **assistant United States managers**, and Mr. Howell will have charge of the industrial department, succeeding N. B. Thorpe, resigned.

The bill making **surety bonding premiums** on official bonds in New York State a charge against the State or municipality has been signed by Governor Glynn.

The New Jersey Fidelity and Plate Glass, the Ætna Accident and Liability and the Preferred have **resigned** from the new Plate Glass Insurance Exchange.

Personal.

AGENCY APPOINTMENTS

Globe and Rutgers: W. H. Stewart & Co., State agents in Colorado.

Hamburg-Bremen: Ernest J. Miller, State agent in Colorado.

Liverpool and London and Globe: Robert J. Falsj, manager Pacific Coast department.

London and Lancashire: John T. Horan, special agent for Maine and New Hampshire, succeeding Eugene J. Sullivan, resigned.

Merchants Fire of Denver: Clyde H. Gardner, special agent.

Nord-Deutsche: John M. Thomas and Company, of Dallas, Texas, general agents of the marine department for Texas and Arkansas.

Northwestern Fire and Marine: E. F. Schleger, New York City local agent.

Occidental Fire of New Mexico: J. J. Allen, Jr., Colorado special agent.

Springfield Fire and Marine: Fred W. Fieler, special agent eastern Colorado and Wyoming; M. H. Collins, special agent in western Colorado and New Mexico.

Mr. Allan Forman, founder of the *Journalist*, now the *Editor and Publisher*, who was a well-known New York journalist, died at Mattituck, L. I., March 13, of tubercular hemorrhage, aged 53 years. Mr. Forman

Digitized by Google

founded the *Journalist* in 1884, and edited it until 1906, when he retired because of illness. He was a life member of the Press Club and a member of the Long Island Historical Society, the Underwriters' Club and Ivanhoe Lodge of Masons of this city.

Mr. Frederick H. McElhone, of Marshall & McElhone, managers of the Central Department of the Fireman's Fund of San Francisco, died suddenly at his home at Hinsdale, Ill., on March 13, aged 54 years. He entered the insurance business in 1859 and was formerly special agent of the Pennsylvania Fire for Texas.

Mr. J. J. Allen, Jr., who has been general agent for the Occidental Fire of New Mexico in California, is transferred to Denver as special agent for Colorado and New Mexico, supervision also of the business from Chicago, St. Louis and Kansas City.

Mr. H. B. Washington, who has been with the Hamburg-Bremen in the West for thirty-two years, will have charge of the company's Western business at the United States home office in New York, the Western department having been discontinued.

Col. F. G. Halle, Western manager of the Germania and president of the Western Insurance Bureau, who has been South several weeks to recover from his recent serious illness, has returned to his desk greatly improved in health.

Mr. Edward C. Paine, who has been manager at Columbus, O., for the Mutual Life of New York for the past twelve years, died at Columbus, March 8, aged 65 years. He is survived by his wife and three children.

Mr. Bert C. Bobb, who resigned recently as special agent in Illinois for the American Central, has returned to its service, and Oscar A. Morris will continue to give his spare time to the Mercantile Underwriters.

Mr. Wilbur S. Tupper has undertaken the management of still another company. This time it is the Toledo Life, of Ohio. He recently retired from the presidency of the Pioneer Life, of Kansas City.

Mr. Carl T. Prime has resigned as general manager of the Equitable Life, of San Antonio, Texas, and hereafter the president, Dr. Frederick J. Combe, will assume the duties of both positions.

Mr. E. D. Livingston, superintendent of the fidelity and surety department of the Royal Indemnity, who was recently operated upon for appendicitis, has recovered and is at work again.

Mr. Walter Evarts has resigned as special agent for the Delaware Underwriters in Ohio and Indiana to go with the London Assurance Company in his former field.

Mr. Edgar L. Colburn, Illinois State agent of the Fire Association of Minneapolis, died at Chicago, March 17, from valvular heart disease, aged 38 years.

Mr. C. Howell Taylor has been appointed manager for the Germania Life for the State of Illinois. He has heretofore had charge of the Indianapolis office.

Vice-President George E. Kline, of the Continental and Fidelity-Phenix, who has been on a business trip to the Pacific Coast, is expected to return on Monday.

Mr. John F. Ryan, a prominent life insurance agent of Marquette, Mich., died March 7, from heart disease while riding on a street car.

Mr. George W. Cornell, an appraiser for the Equitable Life, died March 18, at the Jamaica Hospital from appendicitis, aged 57 years.

General Manager F. Norie-Miller, of the General Accident, of Perth, sailed for Scotland Friday on the *Oceanic*.

Hon. W. G. Conrad, president of the Montana Life insurance company, died March 6, at Winchester, Va.

Mr. P. V. Montgomery has been appointed secretary and actuary of the Fort Worth Life of Texas.

Mr. W. W. Thomas, manager of the Underwriters' Salvage Company, of Chicago, died March 19.

Miscellany.

New York City's Water Supply.

Mr. T. C. Culyer, the resident engineer in charge of the Croton water supply for the City of New York, gave a very interesting and instructive address before the Insurance Society of New York at the board rooms of the New York Board of Fire Underwriters on Thursday afternoon. The room was crowded with a representative audience of fire underwriters, and at the close Manager Cecil F. Shallcross, of the Royal, gave an eloquent testimonial to the value of the lecture and said that he had been afforded an opportunity of acquiring information concerning the vast water supply enterprises of the city which had never been available to him before.

Mr. Culyer was presented by James Marshall, of W. S. Brown & Co., who presided at the meeting. Previous to showing the stereopticon slides of the various reservoirs Mr. Culyer said in part:

What I have to say on this occasion on the subject of water supply will, for obvious reasons, be limited mainly to a cursory presentation of some data significant incidentally of its vital relation to organized society and with special reference to this community, and of its immeasurable value among those things which are necessary to our well being and existence.

Any consideration of its industrial or economic connection with human affairs naturally brings into view the always lively and present problem of fire fighting and the never-absent occasion for the attainment of the ultimate aptitude and means for safeguarding of human life and property against the ravages of an otherwise most serviceable yet often one of the most destructive elements of nature.

It seems strange, therefore, to ascribe to water in the issue thus presented to us the most potent resource for combating the lurid foe and which in flood and other uncontrolled form has so often in terrific and heartrending ways so deeply impressed us with its destructive and irresistible power.

The story of its presence in nature and its dependableness as an adjunct in human affairs and of its incomparable status in the vast complex scheme of the world of matter comprises a study of deepest interest. We cannot misunderstand, for example, the import of these two great cosmic facts—first, that water permanently covers an area equal to three-fourths of the globe's surface, and, second, that in alliance with the atmosphere it supports the physical existence of man and all other forms of animal life and vegetations. The process by which so prosaic a matter as moisture is formed into bodies of water reveals the illimitable resources from which, from immemorial time, man and other forms of life have derived their unfailing aid to existence.

In this geographical portion of our country, and in which the area which constitutes the State of New York is specially favored, there exists climatological conditions of remarkable uniformity, in the usual periodic changes of temperature, and in the precipitation of moisture in the form of rain, snow, etc. For more than three-quarters of a century records kept and preserved by the Board of Regents at Albany and of the Department of Water Supply establish the yearly average precipitation of moisture, remarkably devoid of extreme variation, as between forty and fifty inches, corresponding substantially with the remarkable deductions in his climatic conditions of this continent of Humboldt, more than a century ago.

These facts would seem to substantiate the claim of fortunate stability in the matter of our natural water resources and assuring to the two extensive reservations of territory, now partly owned and controlled by the City of New York, a practically unfailing and incomparable supply of water for domestic and industrial use.

I will proceed with a brief statement concerning the several enterprises in their chronological order as near as possible, the purpose of which was to establish and maintain a public supply of water, these undertakings many of them in the beginning being almost devoid of mechanical resources and were otherwise of an almost elemental manner of construction, but they served a useful end, and it may be said of those who conscientiously carried out these projects that in the words of Emerson, "they builded better than they knew."

Step by step as necessity demanded these ventures were enlarged and improved upon, and are reaching a culmination in the project now nearing completion, namely, the joining of the waters from the extensive territory on the west side of the Hudson with those comprising the older watersheds in the counties north of this city, and in its assured successful accomplishment will constitute one of the

GREATEST ENGINEERING ATTAINMENTS IN THE WORLD.

In the year 1774, the population of the City of New York at the time being 22,000, under a proposition of Christopher Colles and sanctioned by the Common Council, a large well was dug on the east side of Broadway, between Pearl and White streets, near "The Collect," a fresh-water pond where the Tombs now stands. The water from the well was pumped into a reservoir and distributed by pipes consisting of hollow logs. This work was abandoned on account of the Revolution. In the year 1799 the Manhattan Company, the legal successor, now the Manhattan Bank of this city, was incorporated. This company constructed a well at the northwest corner of Reade and Centre streets, from which water was pumped into a reservoir erected on Chambers Street, between Broadway and Centre. This reservoir had a capacity of 550,000 gallons, which was distributed through pipes also made of hollow logs. In the year 1829 a small reservoir was constructed by authority of the Common Council on Thirteenth Street near Irving Place. This water was intended only for the use of fires and had a capacity of about 234,000 gallons. From

(*Continued on page* 245)

Digitized by Google

The Weekly Underwriter:

MONTHLY LIABILITY INSURANCE SUPPLEMENT.

NEW YORK, MARCH 21, 1914.

SAFETY IN TUNNELING.

Details of Construction of Tunnels Pointed Out, Together with Suggestions for Caution on the Part of Workmen and Foremen.

By David W. Brunton and John A. Davis.

The Department of the Interior has published a remarkable circular regarding safety devices in mines and tunnels, and in view of the extensive operations underground in the vicinity of Greater New York the text of the circular is herewith reprinted for the benefit of inspectors who have for their duty the supervision of work covered by liability and workmen's compensation policies.

This miners' circular discusses the means of preventing accidents in driving tunnels, levels, and drifts for mining purposes, such as drainage, transportation, and development, in which the entire cross section is excavated in one operation. The precautions apply also to the driving of nearly all tunnels that are used to carry water for power, irrigation, or domestic use, because in such work practically the same kinds of risks are incurred as in the driving of mine tunnels.

Complete statistics in regard to the number and cause of tunnel accidents cannot be obtained, but a study of the data collected indicates that the number of fatal accidents in proportion to the number of men employed is somewhat greater than in either coal or metal mining taken as a whole. The result obtained by averaging reports, which extend over periods of one to ten years, for sixteen representative mining and water tunnels, was 4.7 deaths annually per 1,000 men employed, as compared with 3.73 per 1,000 for coal mining and 4.19 per 1,000 for metal mining during 1911. In addition to the men killed outright, more than three times as many more (or 16 per 1,000) have annually been seriously injured or maimed for life, and thirteen times as many more (or 62 per 1,000) have annually been slightly injured by accidents in tunnel work.

A large number of these deaths and injuries have resulted from ignorance or carelessness and could have been avoided by a knowledge on the part of every underground employee of the proper precautions to be taken and by strict attention to the observance of these precautions. This applies not only to the driller or the mucker, but to the foreman and superintendant as well, for each has his duty to perform, and it is only by co-operation between all parties concerned that the number of deaths and injuries now resulting from tunnel work can be reduced. The following paragraphs are therefore written directly to the men interested, in the hope of bringing home to them once more some of the more important preventive measures.

TO THE SUPERINTENDENT.

The greater responsibility always lies with the man who has the broader vision, and you, the superintendent, are in duty bound to see that the working places of your men are made as safe as possible, regardless of the time required to do so, and you are equally bound to see that the men themselves exercise the greatest care and caution in conducting their work. Do you realize that accidents are costly, not only in life and limb, but also in actual money? For in most cases an accident seriously hinders the work, even a single death causing a suspension of operations for two or three shifts, whereas a larger catastrophe may cause the tunnel to be shut down entirely for months at a time, as, for instance, after fire, or flood, or cave-in. Many such accidents could have been prevented altogether if even ordinary precautions had been exercised beforehand. So for both humanitarian and conomic reasons you should make safety the first and all-important consideration.

THE GREATEST SOURCE OF DANGER IN TUNNEL WORK

at present is from falls of rock. These can be prevented in a large measure by promptly and adequately supporting the roof. Insist that necessary timbering be done at once, and always keep a supply of lumber at hand for this purpose, so that no delay may ensue for lack of it. True, timbering is laborious, and it either takes the men of the tunnel crew from their regular work or requires extra men. If extra men are used they add to the confusion in the heading, and as their work is done at the same time as the other work of the tunnel, it seriously hinders either the drillers or the shovelers, or both. So, although you may suspect that the roof is dangerous, you may be tempted to delay timbering—possibly until an accident brings the necessity forcibly and unavoidably to the front. Remember that all necessary timbering *cannot be done too soon*, and that any delay seriously jeopardizes the lives and limbs of the men who have to work under a roof improperly supported.

CARE OF EXPLOSIVES.

Do not permit any disregard of the proper precautions in handling, storing, or using explosives, as given later, and provide each man with a copy of these or similar precautions.

Provide suitable magazines and thaw houses for explosives. Specifications for such buildings recommended by the Bureau of Mines are to be found in Technical Paper 18, which is published by the bureau for free distribution.

HANDLING AND USE OF FUSE.

Have careful tests of the burning rate of the fuse made periodically, especially whenever a new brand is purchased. Different makes and brands of fuse burn at greatly varying rates, and a miner accustomed to a slow-burning fuse will perhaps not realize the necessity of cutting the faster-burning fuse longer so that he may have time to reach a place of safety before the detonation takes place. Experiments conducted by the Bureau of Mines, and described in Technical Paper 6, show also that there are several causes that may increase greatly the rate of burning of the same brand of fuse, and there have been cases where an injured fuse burned almost instantaneously. Chief among the causes are abrasion, blows, or too great pressure. Therefore, in addition to informing the miner as to the normal burning rate of the fuse, see that fuse is in good condition when taken into the heading and that it is handled properly after it gets there.

See that the fuse is properly stored, for a large percentage of the accidents from misfires are traceable to fuse that has been damaged in storage. Never store fuse near boilers, steam pipes, or other sources of heat where the temperature is apt to be high. Exposure to heat causes a marked retardation in the burning rate. Never store fuse in a cold place. Cold fuse is dangerous, because cold often causes fuse to crack when being handled, so that misfires result. Keep fuse dry. It is very difficult to dry out a powder train that has become damp, and when the fuse burns the dampness will be driven ahead of the fire in the form of steam, so that, even if it does not accumulate in sufficient quantity to quench the fire in the fuse, enough of it may be driven into the detonator to prevent that from igniting and thus cause a misfire. Always provide a dry place with an even temperature for the storage of fuse.

Digitized by Google

REMOVAL OF DANGEROUS GASES.

Do not delay installing adequate ventilating equipment when harmful accumulations of natural gases are encountered in the tunnel. This is particularly important when such gas forms explosive mixtures with air. In the latter instance, see that none but safety lamps or their equivalent are taken underground and that sufficient air is provided to dilute the gas enough to make it harmless.

TRANSPORTATION OF MEN.

Prohibit the men from riding on loaded trips, and whenever possible provide special cars, either propelled by hand or drawn by a mule or motor, for their use. Do not permit the men to jump on or off moving cars.

ELECTRICAL EQUIPMENT.

If there is a trolley wire or other electrical apparatus in the tunnel, see that the men are instructed against the danger of shocks and do not allow them to carry tools on their shoulders when passing in or out. Instruct the men, and especially the foremen, in the proper methods of resuscitation in case of electrical shock. Methods for the treatment of such cases are given in detail in Miners' Circular 5, published by the Bureau of Mines for free distribution.

PREVENTION OF FIRE.

See that combustible rubbish is not allowed to accumulate in the vicinity of buildings or timbering and that the supply of hay is properly protected from fire. Do not construct any wooden buildings nearer than 200 feet to the mouth of the tunnel unless they are absolutely necessary. In such a case provide a separate exit from the tunnel at least 200 feet away and arrange a fire door so that the regular exit may be closed from a distance, in order that the men in the tunnel may not be suffocated by smoke and gases in case the buildings take fire. In either case provide for a water supply adequate for fire protection, with hydrants and hoses suitably disposed about the several buildings.

PRECAUTION IN ENCOUNTERING A FLOW OF WATER.

Exercise great precaution in driving toward a place where you are likely to strike a flow of water that may carry with it a rush of mud, sand, gravel, or other débris. In such cases it is advisable to drive a drill hole at least 20 feet in advance of the heading to give warning of the danger before the body of water is broken into by the full head of the tunnel.

TO THE FOREMAN.

Upon you, the foreman, falls the work of seeing that the superintendent's orders are obeyed, and your duty to care for the safety of the men and to see that they use the proper precautions in their work is even greater, if possible, than his. For you are daily in close personal touch with the men and are the man to whom they naturally look for instructions and guidance. If you will observe the following precautions, you will be better able to fulfill your responsibility for the life and safety of the men under you.

DANGER FROM FALLS OF ROCK.

The common practice of overcharging shot holes is one of the chief causes that combine to make falls of rock from the roof by far the greatest source of danger in tunnel work. Extremely heavy charges shatter and crack rock that ordinarily would stand without risk of falling and thus render it highly dangerous to the men working underneath. Of course, it is essential to efficient work in tunnel driving that the blast should completely "break bottom" without any need for a second charge; still, you should see that the smallest quantity of dynamite that will do the required work is used, at least in the holes near the roof. Economy of explosive demands this, everything else aside; but you should also realize the dangers of the heavier charges and, when they are necessary, you should take extra care along other lines for the safety of the men.

Do you go yourself or permit the men to return to the face after shooting a round, without thoroughly testing the roof just exposed by the blast? Neglecting to test the roof is another great source of accident. Upon reaching the heading after a blast, detail at once as many men as may be necessary to clean down thoroughly all the loose pieces of overhead rock. Encourage the men to report to you all parts of the roof that seem to them unsafe. See that any loose piece of rock is either pulled down at once or properly supported, and never take any chances by postponing the work of timbering, regardless of how pressing other matters may be, because a few minutes' delay in timbering may mean a loss of life.

It must be admitted that at times even experienced men believe the roof to be sound, when suddenly and without warning a large block crashes into the tunnel. This, if anything, will be claimed as a purely accidental occurrence; yet even the danger from such a block (which may have been perfectly sound when first exposed, but became loosened by the concussion of subsequent blasting) in many cases might have been discovered in time if there had been a systematic and regular examination of the entire roof of the tunnel. For this reason you should form the habit of examining the roof as you pass in or out, testing all places that appear to be unsound, and you should instruct every worker in the tunnel to do likewise.

It should be said in this connection that "sounding" a roof is not a proper way of determining its safety; there are numerous cases on record where the roof gave a satisfactory sound and appeared solid even to very experienced men, but in which a big block or bowlder was actually loose. A better method of testing the roof, which is used by many large mining companies and is recommended by the Bureau of Mines in Miners' Circular 9, "Accidents from Falls of Roof and Coal," is to strike it with a pick or heavy stick, at the same time touching the doubtful piece with the free hand. If any vibration is felt, the rock is unsafe and should be taken down or supported at once. If the rock is too high to reach with the hand, a stick should be held against the doubtful piece while it is being struck, and if it is loose the vibration can be felt through the stick.

PRECAUTIONS IN THE CARE AND USE OF EXPLOSIVES.

Provide each man with a copy of the precautions to be taken in handling explosives, which are stated below, and see that he reads them. Never permit even a single disregard of these rules to go unchallenged and never fail to discharge habitual offenders.

HANDLING OF EXPLOSIVES.

Don't rely in any degree whatsoever upon the supposed "inertness" of dynamite, but at all times use care in handling it.

Don't smoke while handling explosives, and don't handle explosives near an open light.

Don't shoot into explosives with a rifle or pistol, either in or out of a magazine.

Don't carry loose detonators (blasting caps) or electric detonators in the clothing. Carry them in special boxes.

Don't transport detonators or cartridges containing detonators (primers) to the heading in the same box or package with the supply of dynamite for the round, and do not place them side by side after they reach there.

Don't tap or otherwise investigate a detonator or electric detonator.

Don't attempt to take detonators from the box by inserting a wire, a nail, or any other sharp instrument.

Don't try to withdraw the wires from an electric detonator.

STORING OF EXPLOSIVES.

Don't leave explosives in a wet or damp place. Keep them in a suitable dry place, under lock and key, where children or irresponsible persons cannot get at them.

Don't store dynamite boxes on end, as nitroglycerin is more liable to leak from the cartridges.

Don't store or handle explosives near a residence.

Don't open packages of explosives in a magazine.

Don't open dynamite boxes with a nail puller or powder cans with a pickax.

Don't store or transport detonators and explosives together.

Don't store fuse in a hot place. This will change its normal rate of burning.

Don't keep detonators, electric detonators, or firing machines in a damp place.

Don't allow priming (the placing of a detonator or electric detonator in dynamite) to be done in a thawing house or magazine.

THAWING EXPLOSIVES.

Don't use frozen or chilled explosives. Most dynamite freezes at a temperature between 45° and 50° F.

Don't thaw dynamite on heated stoves, rocks, sand, bricks, or metal, or in an oven, and don't thaw dynamite in front of, near, or over a steam boiler or fire of any kind. Use thawers such as are furnished by the manufacturers of explosives.

Don't take dynamite into or near a blocksmith shop or a forge.

Don't put dynamite on shelves or other supports which are directly over steam or hot-water pipes or other heated metal surface.

Don't cut or break a dynamite cartridge while it is frozen, and don't rub a cartridge of dynamite in the hands to complete thawing.

Digitized by Google

Don't place a "hot-water thawer" over a fire, and never put dynamite directly into hot water or allow it to come into contact with steam.

Don't allow thawed dynamite to remain exposed to low temperature before using it. If it freezes before it is used, thaw it.

PREPARING THE CHARGE.

Don't fasten a detonator to the fuse with the teeth or by flattening it with a knife; use a crimper. The ordinary detonator contains enough fulminate of mercury to blow a man's hand or head to pieces.

Don't "lace" fuse through dynamite cartridges. This practice is frequently responsible for the burning of the charge.

Don't explode a charge to chamber a hole and then immediately reload the hole; the hole will be hot and the second charge may explode prematurely.

Don't force a primer into a bore hole, and in tamping the charge use pressure rather than impact. Don't use a tamping bar as if it were a javelin.

Don't do tamping with iron or steel bars or tools. Use only a wooden tamping stick with no metal parts.

Don't handle fuse carelessly in cold weather, for when it is cold it is stiff and breaks easily.

Don't use fuse that has been stored or kept near a boiler, steam pipe, or any other source of heat, or that has been exposed to moisture.

Don't use fuse that has been hammered or injured by falling rocks or from any other source. Such injury increases the burning rate, and there have been cases where a fuse damaged in this manner burned almost instantaneously.

Don't cut the fuse short to save time. It is dangerous economy.

Don't worry along with old broken leading wire or connecting wire for electric firing. A new supply will not cost much and will pay for itself many times over.

FIRING THE CHARGE.

Don't explode a charge before every one is well beyond the danger line and protected from flying débris. Protect the supply of explosives also from this source of accident.

Don't be in a hurry to find out why a charge failed to explode. In case of a misfire, allow at least 30 minutes to elapse before approaching a hole.

Don't drill, bore, or pick out a charge that has failed to explode. Drill and charge another bore hole at least 2 feet from the missed hole.

PREPARATION OF PRIMERS.

Instruct the men in the proper way of preparing a primer, for many misfires result from the use of improper primers. Teach them to cut off and throw away an inch or two of the fuse before inserting it in the detonator, for gunpowder (which forms the core of the fuse) easily gathers moisture, and the end of the fuse may have become damp enough to quench the burning powder or prevent the ignition of the detonator. Insist that this cut be made squarely across the fuse with a sharp cutting tool; if the cut is diagonal the point may curl over the end of the fuse when it is inserted in the detonator and thus prevent the spit of the powder train from reaching the mercury fulminate in the detonator, and if the tool is dull the powder grains in the end of the fuse may be spilled during the cutting, thus weakening the force of the spit into the detonator and possibly preventing its ignition. Have the men crimp the free end of the detonator around the fuse tight enough to hold the detonator and the fuse together, but not tight enough to cut off the powder train in the fuse. Insist that they use for this purpose nothing but the proper crimping tool. After crimping, the detonator should be buried in the end of the stick of dynamite with its axis parallel to that of the stick and its top flush with the top of the dynamite. If the detonator is buried deeper, or if the fuse is laced through the cartridge, the explosive is liable to become ignited from the side-spitting of the fuse before it is properly exploded by the detonator, which not only reduces the efficiency of the explosive, but creates a larger volume of gases, especially of those gases most dangerous to the men who must breathe them.

You should also see that detonators of sufficient strength are used. Although No. 5 detonators were considered strong enough for "straight" nitroglycerin dynamite, the less sensitive gelatin dynamite requires a much stronger detonator to explode it properly. For this reason you should never use anything weaker than No. 6 detonators with gelatin dynamite; the universal experience is that better results have been obtained with all dynamites when strong detonators are used.

CARE OF FUSE.

Warn the men as to any change in the normal rate of burning of the fuse, so that they may cut a faster-burning fuse long enough to give them time to seek a place of safety. You should also see that the fuse is not handled roughly, especially in cold weather, that it is carefully protected from falling rock, and that it is not abraded by the stick in tamping the hole.

PRECAUTIONS IN CASE OF MISFIRES.

Watch carefully for misfires. It is very difficult to count the number of explosions during blasting and to be sure that the charges have all been detonated. For this reason the face, or as much of it as is not covered by débris resulting from the blast, should be carefully inspected as soon as the roof has been made safe and should be carefully watched during the removal of the muck for evidence of missed holes. If such a hole is discovered, under no circumstances should you permit an attempt to pick out the material. If no stemming* has been used, as is often the case in tunneling, you should insert a stick of dynamite containing a detonator in the hole and explode it at once; if stemming has been employed, have another hole drilled and blasted at least 2 feet from the missed one.

DANGER FROM GASES.

Poisoning from the gases produced by explosives is common in tunnel work. You are no doubt familiar with the symptoms. When the effect of the gases is mild, it is usually called "powder headache" and causes little more than temporary discomfort, but in severe cases it has caused death within a short time. The harmful gases resulting from the complete detonation of gelatin dynamite under normal conditions are usually carbon dioxide and carbon monoxide. The former, although it will not support respiration, and when present in large enough quantities may cause unconsciousness, and even death, has no very serious effects when much diluted, but the latter is exceedingly dangerous and even very small quantities of it will prove fatal if breathed for a long enough time. Fortunately, however, only a small volume of the more dangerous monoxide gas is generated when gelatin dynamite, which is the explosive almost always chosen for tunnel work, is properly used. But if the dynamite is not completely detonated (either through the use of too weak a detonator or from any other cause), and especially when it burns rather than explodes, a much greater volume of the monoxide is formed and, in addition, a number of other harmful gases are developed, among which should be mentioned the deadly peroxide of nitrogen. It is therefore of the greatest importance that you use only detonators of sufficient strength to explode the dynamite completely and that you take every precaution to prevent the dynamite from taking fire from the side spitting of the fuse or in any other manner.

The deadliness of the gases resulting from explosives improperly detonated may be illustrated by describing an accident that is known to have cost nine lives in a government tunnel. A study of the circumstances, as described to the writers, indicates that the explosive, or a large part of it at least, must have burned rather than detonated. Gelatin dynamite was employed and the charge was even smaller than in previous blasts of which the men had inhaled the fumes without serious effects, but in this case the fumes are described by the men as being brownish yellow rather than the usual grayish or bluish white. After igniting the blast the men retired about 500 feet to wait for the smoke to clear, and while they were waiting the smoke drifted slowly over them and then, owing to some change in the air current, drifted slowly back again. The men felt the usual symptoms of carbon-monoxide poisoning—slight choking, nausea, profuse perspiration, and headache—but they all revived upon reaching the open air about an hour and a half after the blast was fired. Within a short time, however (and in one case before the man could walk to the bunk house), the men began to cough up bloody mucus and exhibit other symptoms of nitrogen-peroxide poisoning. In less than three days nine out of the thirteen men who had been in the tunnel and exposed to the fumes had died; the other four, as well as those who went in with the motor to bring the men out, were ill for days and even months after the catastrophe.

The dangers resulting from the presence of natural accumulations of gas, such as are frequently met in tunnel work, can readily be prevented by proper ventilation, although in case the gas is explosive you should see that none but safety lamps or

*In the publications of the Bureau of Mines the material packed on a charge in a bore hole is termed "stemming," and the act of packing the material is termed "tamping." The bureau advocates the use of stemming in bore holes with all explosives.

Digitized by Google

their equivalent are used and that no matches or other means of striking an open light are taken into the tunnel.

When the presence of gases in dangerous quantities, either from explosives or from natural sources, is suspected, you should see that the men are supplied with fresh air at once, either by opening the compressed-air line or by breaking into the ventilating pipe, if the current is in the right direction. Do not knowingly remain or permit the men to remain in air that will not support a candle flame, although a man can live for some time in such air, because there is no way to tell how much worse the condition of the air may get after the light goes out.

TRANSPORTATION OF MEN.

Keep the track and roadbed in as good condition as possible in order to lessen the risk of derailments. Do not permit the men to ride upon loaded trains unless it is absolutely necessary, and in such cases warn them carefully as to the risks being taken. Insist that the men when riding in empty cars keep their feet and hands inside of the car and that they watch carefully for low places in the roof. Never fail to discharge any driver caught "riding the chain."

DANGER FROM ELECTRICAL EQUIPMENT.

Warn the men of the danger of contact with the trolley wire. Familiarize yourself with and instruct the men in the proper methods of resuscitation after an electrical shock, such methods being given in Miners' Circular 5. See that the men do not carry tools or other instruments that are conductors of electricity on their shoulders or in any other manner by which they are likely to come in contact with the trolley wire. Inspect regularly any cables or wires for electric lights or machines in the heading, or any other electric wires that have to be moved frequently, and see that all worn parts are covered with insulating material or replaced if necessary. Do not ride yourself or permit the men to ride upon electric locomotives.

PREVENTION OF FIRE.

Never permit combustible rubbish to accumulate underground nor allow candles, torches, or open lamps to be used near hay or other inflammable substances. Warn your men that you will discharge at once any one guilty of leaving candles or torches burning near timbers; for instance, a candle that has been wedged between two nails driven into a post.

INTOXICATION.

Do not permit drunkenness among men on duty, for this is very often a contributory cause of accidents. Note the condition of the men when coming on shift and do not permit even slightly intoxicated men underground; if such a man is discovered in the tunnel, send him to the surface *at once*. You should discharge those who are habitual offenders in this respect.

TO THE MINER.

You, the miner, are engaged in a business that is hazardous under the best conditions. You are constantly surrounded by dangers, many of which you are perhaps disregarding daily because you have become familiar with them and hardened to them. But you must remember that any accident caused by carelessness on your part may not only hurt you, but may also injure or possibly kill one of your fellow-workers, in spite of all the precautions he may have taken for his own safety. You have therefore not only your own life and limbs to take care of, but you are responsible for the safety of all the men working near you. Do not, just because you have been working as a miner for many years, take chances that you would be the first to condemn in anybody else. You may not know that carelessness is more dangerous underground than ignorance (for although the latter is bad enough, it can be cured), and that you, the miner of five or ten or twenty years' experience, are more to be feared than a new man, for you have become hardened to dangers and are willing to take chances that a new man would be afraid to take. Do you realize that by far the greater majority of "accidents" are caused by carelessness on the part of experienced men like yourself and that it may be your turn to-morrow or next week? The only way that you can reduce the dangers around you is to use extreme care in doing your own work and to urge every man working near you to do the same. The following precautions are those that apply most directly to your work, but you should also read carefully those intended for the superintendent and the foreman, so that you can help them wherever possible in carrying out their part of the work, for it is only by co-operation on the part of every one that the best results can be obtained.

TESTING FOR FALLS OF ROCK.

Do not go back to the face of a tunnel after a blast without testing the newly exposed roof for loose rock, for the danger from falls of roof is the one to which you are most frequently exposed. If you find any rock that is loose, either clean it down yourself at once or report it to the foreman. From the habit of carefully examining the roof of the tunnel as you pass in and out, testing doubtful places for vibration by the method described previously. Call the foreman's attention to any ground that you think should be timbered or to any timbers that need relieving to prevent their breaking.

HANDLING OF EXPLOSIVES.

If you have to use dynamite, do so with great care, using all the precautions specified herein. Never try to scare any one by reckless handling of explosives and do not overlook carelessness or recklessness in any one else, for he owes it to *you* to be careful, no matter how little he thinks of his own safety. If it is your duty to assist in the loading of holes, do this with great care, using pressure rather than a blow to tamp the explosive in the hole, and always be careful not to use too much force in pushing the charge in, for if a cartridge should stick in the hole and then suddenly give way you might force it against the bottom of the hole with enough force to make it explode. Such care is especially important when you are pushing a detonator into the hole.

CARE OF FUSE.

Find out the rate at which the fuse burns, especially if a new brand is being tried, and see that the fuse is cut long enough to give you and your companions time to reach a place of safety. Protect the fuse from injury from scraping, blows, or too great pressure caused either by falling rocks or by the bar when tamping the hole; never use a fuse that has been thus damaged. Do not use fuse that you know has been stored near a boiler, steam pipes, or other source of heat, or one that has been exposed to moisture. If you prepare the primer, use all the precautions given herewith.

PRECAUTIONS IN CASE OF MISFIRES.

If you find a misfire in the face, call the foreman's attention to it at once so that he can have the charge detonated. Never attempt to remove the material in such a hole; either explode it with a primer, or if this cannot be done, drill and fire another hole at least 2 feet away. Use great care in removing any unexploded dynamite from the muck pile and be especially cautious if a piece of fuse is seen near it, for this may show that there is still a detonator in the cartridge. Never handle your pick like a sledge hammer; pull or scrape the material down rather than strike it with the pick, for in this way you are less liable to explode a stray piece of dynamite in the muck.

PRECAUTIONS IN THE PRESENCE OF GASES.

Whenever you feel that you are breathing any harmful gases, especially fumes from dynamite that has burned, try to get to fresh air as soon as possible; often the quickest way to do this is to open the compressed-air line or to break down the ventilating pipe if you know that the current is in the right direction. Never use anything but a safety lamp or electric lamp in a tunnel where explosive gases are known to exist; and do not carry a match or an open light into such a tunnel.

PRECAUTIONS IN RIDING TO AND FROM WORK.

Never try to ride upon a full car or a loaded trip unless it is absolutely necessary, for a great many of the injuries in tunnel work are caused by this practice. When you are riding on the top of a load, you are always in danger of serious injury at every low place in the roof, and if you are riding between the cars (or any place but the rear end) you are liable to be jarred from your foothold and dragged under the cars, also you have little chance of escape if the car leaves the track. Even when riding in empty cars keep your feet and hands well inside and your head low enough to clear the roof at all places.

If you are the mule driver you will, of course, often have to ride upon a loaded trip and sometimes at the front end in order to be near the animal you are driving; but you should realize the extra risk of this position and be extremely careful. You should never ride with one foot on the bumper and the other on the chain by which the mule pulls the cars, for the danger of this position is obvious, and you will be discharged by the foreman, if he knows his business, if you are caught doing it. Do not attempt to jump on or off a moving trip. The chances in such a case of missing your footing and being caught or dragged under the cars, or of breaking your ankle or leg in the

Digitized by Google

uncertain light, are so great that you should never consider the risk worth taking. The number of injuries from jumping on or off moving cars shows only too well that this precaution has been habitually disregarded.

Take care not to strain or injure yourself in putting a derailed car back on the track. You can hurt yourself very easily in attempting to replace the car without assistance and without using a jack. Keep your feet and hands in a safe position so that the car cannot drop on them in case the block or the crowbar slips suddenly, and see that the car does not topple over and crush you against the sides of the tunnel.

HOW TO AVOID ELECTRICAL SHOCKS.

Always remember that a shock from the trolley wire may result in death and that you must pass within a few inches of it when going in and out of the tunnel, often when your attention must be given to your footing. This is especially true when you are climbing into cars. Never carry on your shoulders, when you are in a tunnel where there is a trolley wire, tools or drill steel or anything that is metal or wet; there is too much risk of their touching the wire and giving you a serious if not fatal shock. Do not handle any electrical equipment unnecessarily, nor ride on an electric locomotive without permission. Never cause any one to receive an electrical shock; it is never possible to foretell its results. A shock that would not injure you may be fatal to another man. In removing and replacing the temporary cluster of electric lights in the heading, be careful not to touch any bare or injured place in the wires and call the foreman's attention to any damaged place you may find. Learn the proper methods of reviving a person injured by an electric shock, as described in Miners' Circular 5, and put them into practice *as soon as possible* whenever the necessity for doing so occurs. If it is your duty to repair electrical apparatus, see that you are properly insulated by standing on something *dry*, or that the current is cut off and cannot be turned on without your knowledge; keep your hands and body in such a position that a recoil from an accidental shock will throw you clear from any charged part of the apparatus.

PREVENTION OF FIRE.

Do not smoke nor throw a lighted match near any pile of inflammable rubbish, either in a building, on the surface or near timbering in the tunnel, and do not carry a candle or an open flame near any piles of hay. Never wedge a candle between two nails on a post or other piece of timber; many disastrous mine fires have started in just this way, and you will be discharged by any competent foreman if he finds that you have done so.

INTOXICATION.

A man should not attempt to work when he has been drinking, however little, because he is then in no condition to go underground. Even a slight degree of intoxication, that might be unnoticed by the foreman if the man was working on the surface, is dangerous underground because the heat or the lack of fresh air increases the effect of the liquor. You should never hesitate to report any intoxicated man you see in the tunnel, not only for his sake, but also because your own safety, and perhaps your life, may be sacrificed by his carelessness when under the influence of liquor.

Steam Boiler Insurance.

President Lyman B. Brainerd, of the Hartford Steam Boiler Inspection and Insurance Company, addressed the Insurance Institute of Hartford Tuesday evening on the subject of the insurance of steam boilers. Mr. Brainerd is one of the highest authorities in the country on this subject, and although his address was especially to an audience of people without technical training, his remarks were such as to be interesting everywhere. He said in part:

The Insurance Institute at Hartford, in taking up for consideration and discussion the distinguishing characteristics and the fundamental principles underlying the various lines of insurance conducted to-day, is, in my opinion, performing a most valuable and praiseworthy service, not alone to the young man directly engaged in the business, but to the insuring public at large, and to the insurance companies in particular.

The business of insurance has been ably and intelligently developed and carried to a point where, with respect to at least certain of its lines, it has become quite complex and technical. The insuring public, therefore, stands in much need of reliable and authoritative instruction with respect to the application and the operation of those lines of insurance in which they are individually interested; and furthermore, it is of paramount importance to the insurance companies themselves that the practical application of these different lines of insurance and their respective assumption of liability thereunder be fully and correctly explained, and by those specially and officially instructed thereunto. The transactions of insurance, when combined and considered in the aggregate, have grown to very large proportions, especially with respect to capital employed, liabilities assumed, the amount of premiums collected annually, and the number of persons constantly engaged. It has also expanded and so broadened and extended its field of activities, or its breadth of coverage, as to include and cover almost every conceivable hazard or point of danger. * * *

I feel certain that we are lamentably lacking in due pride and appreciation of the high commanding position to which the industry of insurance has been carried and now occupies among the other industries and enterprises of this country. * * *

I ask you to consider that immediately upon the birth of a child it becomes a legitimate and appropriate subject for prudential insurance, and if the child lives and waxes strong, but a few years will pass before it again becomes an appropriate and an urgent applicant for accident insurance; and if, perchance, it waxes very strong, its companions and playmates will stand in even greater need of the protection. Then again, upon reaching manhood and years of discretion, if it is in fact discreet and well balanced in judgment, it will take unto itself a wife and establish for himself a home, when he will again stand in need of certainly automobile insurance and possibly both life and fire insurance (although the carrying of these lines of insurance will be entirely discretionary), but the majesty of the law will practically compel him to carry workmen's compensaion insurance, even though he may employ no working men—only a lone female domestic.

Now that the fact has been established, and beyond controversy, that this child is a male, and that it lived and grew up and attained years of maturity and discretion, let us suppose that he now stands forth, as it were, out in the open, in all the strength of perfect manhood, with hot blood coursing through his veins, impatient to take up man's work, and ambitious to choose for his life work a vocation of the greatest promise; he stands there scanning and considering the breadth of the world's opportunities, and should he by chance be influenced to take up manufacturing, he would most probably retire to some isolated and remote part of the city, and on the bank of some foul and muddy stream there erect a plant, when the question of power would be forced upon his attention for serious consideration. It is not until this point is reached in the life of a man that we who are engaged in the steam boiler line of insurance begin to take notice, and in fact begin to get excited, for we know that should he again by chance finally decide upon steam for power, in preference to gas or electricity, then, and not until then, will companies making a specialty of and doing exclusively a steam boiler inspection and insurance business get a whack at him.

It will thus be observed how seemingly remote and incidental the steam boiler line of insurance is, when superficially compared with other lines of more recent origin, that have overtaken and surpassed it in volume, but not in value or efficient service, and in part because aided, if not indeed rendered necessary, by the present trend of court decisions and the character of more recent legislation. Nevertheless, Mr. President, I esteem it a very great honor to be identified with the steam boiler line of insurance, and I take much pleasure in speaking on this occasion in its behalf, and of its history, and the theory upon which it is founded. The steam boiler line of insurance was, if I mistake not, the first, or one of the first, of the present casualty lines to be taken up; and it is, therefore, one of the oldest and one of the most revered and one of the most venerable lines.

THE FIRST STEAM BOILER POLICY

issued in this country was on February 14, 1867—forty-seven years ago and longer. The policy was issued for $5,000, but apportioned and made to apply and cover $750 on boiler No. 1, $750 on boiler No. 2, $1,000 on boiler No. 3, and $2,500—please note—"on machinery and property adjoining said boilers." This policy was issued for a term of one year, the consideration being a premium of $60. It will be observed that this coverage is extremely specific and restricted, the intent evidently being to insure and cover the boilers only, and the property and machinery immediately connected with and surrounding the boilers. It certainly seems questionable whether this insuring clause could be construed as sufficiently definite and broad to include and cover the buildings proper, especially buildings as extended and scattered as we frequently find them to be as relating to many

Digitized by Google

industries. The clause is, as it seems to be, sufficiently vague and indefinite to justify an adjuster in taking this view, and there are many intelligent persons to-day who expressed surprise when advised that a steam boiler policy's breadth of coverage extends beyond and covers other property than the boilers and vessels definitely described. This policy also contained many very arbitrary and exacting warranties, and among other things specially provided as follows:

(1) That the company would not be liable for any loss or damage except while the property insured is in the actual care of, and managed by, and used in the regular business of the assured.

(2) Nor for loss or damage to property owned by any other party than the assured.

(3) Nor for any loss or damage where a boiler is placed in charge of a person known to be grossly incompetent or negligent.

(4) Nor for any loss resulting from the neglect of or deviation from the laws or police regulations made to prevent accidents from boiler explosion.

(5) Nor if there is any other similar insurance upon the property without permission endorsed upon the policy.

(6) Nor if any person owning or using said boilers or any interest therein, or any employee of such persons at any time discover any defect at all affecting the safety of said boilers, then and in all of the above instances "this policy shall forthwith become void unless the fires shall at once be drawn and the boiler or boilers so affected cease to be worked until such defect shall have been thoroughly repaired."

Under the above coverage and subjected to the above warranties, many claims are barred that under the coverage of to-day would be recognized and paid, assuming that the tactics of to-day were pursued.

THE ADVANCE IN UNDERWRITING

and the broadening and liberalizing of insuring clauses since that time can best be set forth, and possibly in no more striking manner, than to incorporate the insuring clause under which companies to-day are obliged to write steam boiler insurance. The ordinary steam boiler policy of to-day covers: (1) loss or damage to the property of the assured; (2) loss or damage to the property of others for which the assured may be held liable; (3) claims for personal injuries and fatalities of employees, and (4) similar claims of any person or persons, whether employees or not. The difference in breadth between these two coverages is strikingly apparent. Under the coverage and warranties extended by the first policy issued it would appear impossible for an assured to establish many claims that to-day are recognized and paid; while it would be correspondingly easy for the insuring company to offer defenses, and reap salvage, in the adjustment of losses. The coverage extended under policies of to-day is so broad it is easy, in fact it invites, an assured to establish a claim; and it is correspondingly difficult for the insuring company to offer protective defenses, and absolutely impossible to make salvage in the adjustment of a loss, assuming that the loss sustained by an assured from these several sources is sufficient to consume the face of the policy.

THE TRUE HISTORY OF STEAM BOILER INSURANCE.

is closely interwoven with the history and the development of steam for power, and the advance in scientific construction, installation and maintenance of steam power plants. The theory upon which it was founded is that of conservation, the primary object being to prevent steam boiler explosions through the maintenance of a periodical inspection service rather than to indemnify an assured for their destruction. The steam boiler line of insurance is unique and exclusive in this respect, and the principle considered in its extreme, or carried, if it were practicable, into perfect operation, there would be no explosions of steam boilers, and therefore no losses under a steam boiler policy, and there would be none assuming that our inspections were thoroughly and perfectly made, and that only perfect material and workmanship entered into their construction and installation, and that they were given perfect care and attention by the operating engineer. This, of course, is an extreme condition or combination, and it could be realized only in case all factors entering into the proposition were contributing perfect service.

That substantial progress in this direction has been made is clearly proven by the fact that during the entire term this line of insurance has been continuously conducted, extending over nearly fifty years, the loss ratio has been kept down to from 10 per cent. to 15 per cent. of premiums received, as compared with a loss ratio of from 30 per cent. to 60 per cent. as relating to most other lines of insurance, and no inconsiderable proportion of the loss ratio sustained can be accounted for by the unavoidable fallibility of men and materials. Unquestionably it is

THE MOST EXPENSIVE LINE TO CONDUCT,

and speaking conservatively, fully 50 per cent. of premiums received is spent in the maintenance of the mechanical supervision and the inspection service. Any assured who questions the fairness of rates or entertains doubts concerning whether he is receiving full value in service for the premium paid should take the time and remain in the boiler room while the inspections are being made and thus observe with his own eyes the work and service that consumes fully one-half of the premium that he has paid. Then, further, it is unfortunately a line of insurance in which the volume is extremely limited, and its volume cannot easily be increased, as we are almost helpless to encourage or inspire the use of an additional boiler—nothing but enterprise and the development of our industries can add to the number of boilers in use. The insured boilers in the United States cannot vary greatly from 200,000, and there are not many that are not insured, and this is true especially as relating to boilers used for power, and the total amount paid annually in premiums does not vary widely from $2,500,000.

In advocacy of the theory, I desire to emphasize the fact that any expenditure for service that prevents an explosion constitutes no loss to a community, the money simply passes from the possession of one party to another; whereas, any amount paid as indemnity is confirmatory evidence that a loss has been sustained, and that property of a like value has been destroyed. Speaking very broadly, it is found that 1 boiler in every 170 boilers is physically unsound and unsafe to operate; that 1 boiler in every 7 is found to possess dangerous defects that require immediate attention, and frequently require the immediate and arbitrary suspension of operation; that 1 boiler in every 2 is found to possess minor and insidious defects, which if not promptly dealt with would soon become dangerous defects; that 1 man is injured to every 1,000 boilers under steam, and that 1 man is killed to every 5,000 boilers in operation. Every $100,000 of premiums has been required to stand accountable for injuries to 8 men, and death to about 2 men, in addition to its proportion of the maintenance of the inspection service and indemnifying for the destruction of property. Now, if these results obtain under a loss ratio averaging from 10 per cent. to 15 per cent., it is easily computable what the results might be and what the loss of life would be, if there were four times as many accidents or if the loss ratio was three or four times as great or equal to the loss ratio pertaining to most other lines of insurance.

It is recognized, of course, that in the use of steam for power or for heating purposes we are dealing with a condensed, pent-up and subtle force of such tremendous explosive and destructive energy as to be almost alarming and quite uncertain of complete and absolute control. There are few, indeed, who realize that an ordinary cylindrical boiler when working under a steam pressure of only 100 lbs. is possessed of sufficient explosive energy to project and carry it in a perpendicular direction a distance of about 3½ miles. It is because of this immense pent-up and stored power under doubtful control that prompts eminent steam engineers to very generally restrict and limit the working pressure of a steam boiler to a so-called "factor of safety" of 5, or, stated less technically, they will not permit a boiler to be operated under a pressure higher than about one-fifth of the known or estimated pressure required to burst and disrupt it. Science has taught us much concerning many things, including steam. Nevertheless,

STEAM IS STILL SOMETHING OF A MYSTERY.

In strength it is a leviathan, yet as affectionate and playful as a kitten when under control, but as ugly and vicious as a lion when in control. Through the teachings of science, we can even measure the distance to the farthest star, although it may be trillions of miles away; and we can determine the speed of the swiftest moving planet, although its velocity may be inconceivable to the human mind, and we can determine the exact bursting pressure of a boiler, but when we come to deal actively and personally with steam, and when we come to make a close companion of steam, we become a little suspicious concerning what we think we know, and especially concerning its loyalty and friendship, and for our personal comfort and safety we very prudently require that it shall be clothed in vestments, or rather that its harness shall be many times stronger than its own inherent strength. It would almost seem at times as though steam possessed certain human characteristics and that it is able to detect and that it resents our lack of confidence in its friendship in thus requiring it to be so strongly shackled and confined when serving us, and in return when gaining its freedom, its wrath knows no bounds. I feel certain that I am justified in contending that, through the scientific achievements

Digitized by Google

of the steam boiler line of insurance, a more general and diversified use of steam has been made practicable and safe; and as steam has been a primary factor in the development of our industries, in the building up of our cities, in the construction and operation of our railroads, and in every undertaking requiring power, incident to the growth and development of the industrial and commercial life of our nation, the steam boiler line of insurance has thus contributed toward, and it has been identified with, this progress. The building up of these industries has created an enlarged field for many of the other casualty lines, and by contributing toward the creation of these fields, and in making it possible for the other casualty lines to operate therein with profit, the steam boiler line of insurance has indirectly served and assisted them, and for which, up to the present time, no blll has been presented.

In conclusion, I claim for the steam boiler line of insurance the following

EXCLUSIVE AND DISTINGUISHING FUNCTIONS:

(1) It was one of the first of the casualty lines to be taken up, and it is the most revered and one of the most venerable of the casualty lines;

(2) It is the most venerable because it is one of the oldest; and it is the most revered because its functions are the most human and the most humane, the supreme purpose being to save and conserve both property and life, as contrasted with, as relating to most other lines of insurance, the pledge of indemnity and the promise of reward;

(3) It has been a powerful factor in the development and use of steam for power and heating purposes; and it has contributed substantially in safeguarding and making practical and safe the more general use of steam for these purposes;

(4) It has, as it were, a parental solicitude for and interest in the other casualty lines, in thus stimulating and making safe the more general use of steam for power and heating purposes, and thus correspondingly increase the demand for and broaden the field of their operations;

(5) Every steam-power industry, and every operative in a steam-power plant, every person using or consuming any and everything wrought by steam, is the beneficiary of the good offices of the steam boiler line of insurance; and they are personally indebted to the steam boiler line of insurance for all its scientific achievements in thus safeguarding and making practical and safe the very general use of steam for power and heating purposes.

Possibly no utterance of man ever stirred more deeply the patriotism of a free people than that of Pinckney when, in 1795, as Minister to France, he endeavored to gain for the United States the recognition of the French Directorate. During the debate Talleyrand insinuated that the payment of a sufficient sum would have the desired effect. Pinckney, replying on behalf of the United States, said: "We have millions for defense, but not one cent for tribute." We, of the steam boiler line, having a similar patriotism for the industries of our country, and our particular line of insurance, contend, and we are able to present tangible results in support of our contention, that it is better, that it is in fact an operating economy, for the steam users of this country to spend, if need be, thousands of dollars to secure a mechanical supervision and an inspection service that will extend immunity from explosions than to spend cents for indemnity, as no moneyed consideration can compensate for a disaster in which property and life are involved that could be averted.

I repeat, Mr. President, I consider it a distinguishing honor to be identified with the steam boiler line of insurance.

LIABILITY COURT DECISIONS.

A Concise and Convenient Digest of Rulings of Courts of Last Resort in the Various States Affecting the Business of Liability Insurance.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Kentucky.

1. Foreign Insurance Company—Statutes of Kentucky—Conditions of Doing Business in That State.

Action by employers' indemnity company, incorporated under the laws of Pennsylvania, and having $100,000 on deposit with the State authorities of Pennsylvania, but not possessing a capital stock paid up and unimpaired in excess of $100,000, to restrain the insurance commissioner of Kentucky from revoking the license of said company to transact business in that State.

The statutes of Kentucky (Sec. 693) provide: "It shall not be lawful for any foreign insurance company, association or partnership organized or associated for any purposes specified in this law, directly or indirectly, to take risks or to transact any business of insurance in this State, unless, if a stock company, it is possessed of the amount of one hundred and fifty thousand dollars of actual capital paid up and unimpaired, or, if a mutual company, net assets amounting to one hundred and fifty thousand dollars: Provided, that a company undertaking to do any of the several kinds of insurance named in the second clause of Section 687 of this subdivision, may do so by making the deposit or deposits therein provided for." And Section 687 provides: "It shall be lawful for any company organized under this law: * * * Second. To make any of the following kinds of insurance: (1) Upon the health of persons or against injury, disablement or death of persons resulting from traveling or general accidents by land or water, and against the liability of employers for injuries to persons in their employment. * * * No company doing business in this State shall undertake to do more than one of the several kinds of insurance named in the second clause of this section, unless said company shall first have on deposit, with the treasurer of this State, or the insurance commissioner or chief financial officer of some other State of the United States, the sum of one hundred thousand dollars, and an additional sum of fifty thousand dollars for each additional kind of insurance more than one herein named that said company may undertake in this State; and said deposit shall be invested as required by law." Treating the proviso in Section 693 as an exception, and not as a condition upon which foreign insurance companies could do business in the State, it merely means that the legislature intended that a company doing the several kinds of insurance named in the second clause of Section 687 might do so by making the deposits therein provided for, whether it had $150,000 paid-up capital or not.

2. Same—Same—Same.

Foreign insurance company, authorized by the statutes of Kentucky, Section 693, to do any one of certain kinds of insurance business in the State on making specified deposits, required by Section 687, subdivision 2, of domestic companies, must also have the paid-up capital of $50,000 required of domestic companies, for under the constitution of Kentucky, Section 202, no foreign company shall be authorized to transact business in the State under more favorable conditions than domestic companies.

Judgment for plaintiff in Circuit Court, Franklin County, here affirmed in the Court of Appeals of Kentucky.

CLAY, STATE INS. COMM. VS. EMPLOYERS' INDEMNITY COMPANY OF PHILADELPHIA,
162 Southwestern, 1122. (February 3, 1914.)

Louisiana.

1. Employers' Liability Insurance—Provisions—Occupation Covered.

Under a policy of employers' liability insurance, issued to a lumber company, insuring the lumber company "as trustee for his employees * * * against bodily injuries sustained by the employees of the assured, * * * through external, violent and external means, while actually engaged in the occupation and at the places mentioned in the schedule of statements as follows: * * * sawmill; mill yards; kilns; sheds; woodsmen and teamsters," and providing "that this policy covers all employees of the company to which the same is issued * * * at the above locations, for the purposes of the trade or business described herein to whom compensation is paid," and that "the operations carried on are those usual to the kind of trade or business described herein," the risk incurred in the employment of mill hands in the boring of an artesian well for obtaining water is not covered by the policy. It is true that the business so described presupposes the use of water and the necessity for obtaining it, but so it presupposes the use of fuel wherewith to convert the water into steam, and yet it would hardly be argued that the policy, as written, was intended to insure against the risk of mining for coal or boring for oil.

Judgment for plaintiff in Twelfth Judicial District Court here reversed and dismissed in the Supreme Court of Louisiana.

RUST LUMBER COMPANY VS. GENERAL ACCIDENT, FIRE & LIFE ASSCE. CORP., LD.,
64 Southern, 122. (December 15, 1913. Rehearing denied January 19, 1914.)

Massachusetts.

1. Death of Teamster—Workmen's Compensation Act—Accident Arising out of and in the Course of Employment.

In a proceeding under the workmen's compensation act of Massachusetts (Stat. 1911, Chap. 751, as am'd Stat. 1912, Chap.

Digitized by Google

571), where a teamster, by reason of loss of memory caused by a personal injury received five years before by falling from his wagon, lost his way while driving, and he left his wagon and wandered about and fell into a swamp, where he remained all night, and later died from pneumonia brought on by the exposure, his death did not arise out of and in the course of his employment.

Decree of Superior Court, Suffolk County, based on decision of Industrial Accident Board, here reversed and decree ordered in Supreme Judicial Court of Massachusetts. Suffolk.

MILLIKEN vs. A. TOWLE & COMPANY AND TRAVELERS INS. CO.
103 Northeastern, 898. (January 8, 1914.)

Missouri.

1. Employers' Liability—Services of Physician—Provisions of Policy—Authority of Adjuster.

In an action on a policy of employers' liability insurance, where it appeared that a carpenter employed by the assured, a contractor, in the erection of a building was injured by a fall resulting in the fracture of both arms and several ribs, that the assured provided the services of a physician and surgeon and immediately notified the insurance company, that the latter sent its adjuster to investigate and settle the claim, that the adjuster instructed the assured to continue the services of the physician and surgeon until proper recovery was had, and that the adjuster settled the claim of the injured man for $35, the adjuster had undoubted authority to direct the assured to continue to provide the services of physician and surgeon to the injured man.

2. Same—Same—Conditions Precedent.

Where the policy of employers' liability insurance provided "No action shall lie against the company as respects any loss or expense under this policy unless it shall be brought by the assured himself to reimburse him for loss or expense actually sustained and paid in money by him after trial of the issue, or unless payments shall have been made with the written consent of the company," it is clear that it imposes as a condition precedent to the liability of the insurance company to respond that the insured shall not only first pay the claim before he can recover from the company, but must defer the payment until after trial of the issue, unless written consent of the company to such payment be first obtained. But, though such be true, the provision of the policy above quoted is inserted for the benefit of the defendant and, like other provisions of that character, may be waived by it.

3. Same—Same—Waiver by Adjuster.

Where the policy of employers' liability insurance provided that the assured shall not, "without the written consent of the company, interfere in any negotiations for settlement, nor in any legal proceedings, nor incur any expense other than for imperative surgical relief at the time of the accident," and the adjuster immediately came upon the scene of the accident to investigate and settle the matter, went about the performance of his duty through undertaking to minimize the loss which might eventually be chargeable to the company, and in pursuing this course he instructed the assured to continue to provide the services of the physician and surgeon, and thereafter, when the surgeon's services were completed and the bill for $125 rendered to the assured and paid and transmitted to the insurance company, and the latter mailed check for $40 as if it was liable therefor, even though no trial had been had, this conduct on the part of the insurance company indicated an intention to waive the provision of the policy requiring a trial of the issue as a condition precedent to its liability and to recognize liability under the policy wholly aside from or independent of that provision entirely.

Judgment for plaintiff in St. Louis Circuit Court here affirmed in the St. Louis Court of Appeals. Missouri.

DUNHAM vs. PHILADELPHIA CASUALTY CO.,
162 Southwestern, 728. (December 31, 1913.)

New Jersey.

1. Death of Railroad Employee—Workmen's Compensation Act—Accident Arising Out of and in the Course of Employment.

In a proceeding under the workmen's compensation act of New Jersey (P. L. 1911, p. 134), where the facts show that, in pursuance of his duty as a railroad employee, the deceased had given the waybills to the train agent, and after the train had gone out the deceased was found some three or four feet from the railroad lying with his feet toward the track, with an injury in his head and his neck broken, the inference arose that the injury was caused by an accident arising out of and in the course of his employment.

2. Same—Same—"Actual Dependents."

In a proceeding under the workmen's compensation act of New Jersey (P. L. 1911, p. 134), brought by the administrator of deceased railroad employee, it is no defense that the administrator and his family were not entirely dependent upon the deceased, where they were dependen in fact, for the words "actually dependent" as used in the statute mean dependents in fact. The judgment should have been for $5 a week for 300 weeks and not for $1,500.

Judgment for plaintiff in Court of Common Pleas, Bergen County, here reversed in Supreme Court of New Jersey and remanded for correction.

MUZIK vs. ERIE RAILROAD COMPANY,
89 Atlantic, 248. (January 9, 1914.)

Wisconsin.

1. Injury to Lumberman—Employers' Liability Company—Settlement with Insurance Company—Personal Liability—Exclusion of Evidence—Election of Remedies.

In an action by an injured employee, where employee obtained permission to amend the complaint, so as to allege the personal liability of the managing official, who practically owned and controlled the lumber company, and that after an agreement between the employee and the said official to settle the claim for $1,000 the said official had made a settlement with employers' liability insurance company to surrender the policy for cancellation, give insurance company a general release and to pay the lumber company $1,500, it was error to exclude the plaintiff's evidence in support of his action in tort, especially where he was not given a right to elect upon which cause of action he would rely.

2. Same—Same—Same—Insufficiency of Evidence.

Where the plaintiff's evidence showed that the claim of plaintiff and of another injured employee were to be settled for $1,600, provided the insurance company would approve, and did not show that the insurance company ever did approve of the settlement, and the evidence of the said official showed that he had agreed to submit to the insurance company any propositions for settlement and that the insurance company refused to approve the settlements, and at the time of the said alleged settlement there was still another claim of $25,000 pending for injuries, and of the $1,500 paid by the insurance company to said official about $500 was paid to the attorney for the lumber company and the amount received by the said official was much less than the amount of the agreed settlement of the two claims for $1,600, it cannot be said that there was sufficient evidence to warrant the direction of verdict for plaintiff.

3. Same—Same—Relation Between Employee and Insurance Company.

Under a policy of employers' liability insurance there was no contractual relation between the injured employees of the lumber company and the insurance company and the parties to the insurance contract might agree to its surrender and cancellation on such terms as they saw fit.

4. Same—Same—Trust Fund.

There was nothing in the contract between the insurer and the insured by which the money paid to the latter was impressed with any trust in favor of any one.

5. Same—Same—Pleading and Proof.

The amended complaint was sufficiently broad in its allegations to admit proof of facts warranting a finding that such managing official, as well as the lumber company, was liable for the plaintiff's injury, and the trial court was in error in holding that the only issue was whether or not a settlement had been made, and in refusing to permit the plaintiff to go further than to show that he was in the employ of the lumber company and was injured while in such employ, and that the settlement of his claim was made and agreed upon, and in refusing to permit the defendant to offer any evidence tending to show that there was no liability on the part of the lumber company for the injuries received by the plaintiff.

6. Same—Same—Appeal and Error.

On appeal from a judgment, an order amending the summons and complaint and directing the payment into court by defendant of the sum of $1,500 received from the insurance company, being properly a part of the judgment roll under the statutes (St. 1913, Sec. 2898), could be reviewed on appeal without any exception having been taken to such order under the express provisions of the statute (St. 1913, Sec. 2872).

Judgment for plaintiff in Circuit Court, Langlade County, here reversed and remanded in the Supreme Court of Wisconsin.

MAAHS vs. ANTIGO LUMBER CO. ET AL,
145 Northwestern, 222. (February 3, 1914.)

Digitized by Google

(*Continued from page 236*)

this reservoir two lines of pipe were laid, one down Broadway, the other down the Bowery.

In the year 1834 the legislature passed an act authorizing a provision for supplying New York City with pure and wholesome water, and Major D. B. Douglass was made the chief engineer of the commission, comprised of five members. Under this act, between the years 1837 and 1842, the Old Croton Dam and reservoir were constructed and the connecting aqueduct 37 miles in length.

Before the completion of the old Croton dam part of the earth embankment which formed the major portion of the structure was washed away by an unprecedented freshet, which occurred during the night of January 7, 1841, continuing for forty-eight hours, the ground at the time being covered with 18 inches of snow, with a rising temperature. The water passing over the crest of the dam reached the abnormal depth of 15 feet. The masonry portion of the dam fortunately received but little injury.

Incidentally, since the construction of the New Croton Dam this original structure lies 36 feet below the present level of the reservoir.

On June 27, 1842, the water from Croton Lake was first received through the Aqueduct into the reservoir at Eighty-sixth Street, and on July 4 into the Murray Hill reservoir, now the site of the Public Library.

The celebration of the introduction of Croton water took place October 14, 1842, with a "monster parade," and Samuel Stevens, at the time President of the Water Commissioners, and the orator of the day, said: "What is this water to do for us? It is to protect our city from the awful conflagrations to which it was subject. Reflect, gentlemen, on the amount of property consumed in the city, and then consider if we cannot afford to give twelve millions for security. In two days of December, 1835, our citizens had consumed by fire twenty millions of dollars, principally in warehouses and merchandise. Paris is supplied with two quarts per day to each individual at an expense of $750,000 per annum. The Croton will furnish three hogsheads a day to each of our population at about $600,000 per annum."

Water was first introduced into the new Central Park reservoir north of Eighty-sixth Street on August 19, 1862, and the reservoir was completed the following year.

THE DEVELOPMENT OF THE CROTON WATERSHED

has been as follows: In 1866 the construction of the Boyd's Corners dam was begun, requiring seven years to complete. The capacity of this reservoir was 2,727,000,000 gallons. The other reservoirs were built as follows: 1878, Middle Branch, capacity 4,002,000,000 gallons; 1891, East Branch, 9,643,000,000; 1893, Titicus, 7,167,000,000; 1895, West Branch, 10,070,000,000; 1897, Anawalk, 6,692,000,000; 1905, New Croton, 33,813,000,000; 1908, Cross River, 10,308,000,000; 1910, Croton Falls, 14,169,000,000; 1910, Croton Falls (diverting), 888,000,000. The city owns or controls the following lakes and ponds in the Croton watershed: The right to draw three feet of water from Lake Mahopac between September 1 and March 1, 560,000,000 gallons; the right to draw twelve feet of water from Barrett Pond, 170,000,000 gallons; the right to draw eighteen feet from Kirk Lake, 565,000,000 gallons; owns outright Lakes Gleneida and Gilead and White Pond, with a total available capacity of about 1,000,000,000 gallons. In the Byram and Bronx watershed the city owns Byram Lake, 500,000,000 gallons; Wampus Lake, 60,000,000 gallons; Rye Lake, now known as Rye Dike, 4,936,000,000 gallons; and on the completion of the new Kensico dam and reservoir a storage of 40,000,000,000 gallons will become available. Within the two sources of supply for the present water supply of New York City the city owns an area of 560 square miles in Westchester and Putnam counties, comprising the Croton watershed, and about 22 square miles in the Byram and Bronx watershed. About half of the 22,000 acres is flooded. There was delivered to the boroughs of Manhattan and the Bronx during 1912 a daily average of 303,000,000 gallons, the total storage capacity of the various reservoirs being about 110,000,000,000 gallons. The total capacity of the old aqueduct is 90,000,000 gallons daily; of the new aqueduct 300,000,000 gallons, and of the Bronx pipe line 19,000,000, or a total of 409,000,000 daily. During 1912 there were pumped for high-pressure fire service in Manhattan 130,200,000 gallons. The total length of the new aqueduct is 30.75 miles, of which 5,924 lineal feet is open, the remainder being sometimes as far as 400 feet under the surface. It was recently reported in the papers that the consumption of water in London in 1913 was nearly 95,000,000,000 gallons. As far back as 1853 the Croton Water Board reported to the Common Council that the consumption of water was nearly 90 gallons to each inhabitant.

THE NEW CATSKILL WATER SYSTEM

consists of four principal drainage areas or watersheds, from which the new supply is to be drawn, situated west of the Hudson River in the Catskill Mountains and between the lines of 75 and 135 miles from the City Hall. These areas are as follows: Esopus, 225 square miles; Schoharie, 228 square miles; Rondout, 131 square miles; Catskill, 163 square miles, or a total of nearly 800 square miles, to which can be added several small contiguous areas, making a total of about 900 square miles. It is estimated that from this gathering ground a total of 770,000,000 gallons can be drawn daily, even in a series of extraordinarily dry years. To collect these waters for the city's use several large impounding reservoirs are to be constructed as required, which will be interconnected by means of aqueducts.

At the present time only the Esopus watershed is being developed, but the Ashokan reservoir, now under construction, will be the most important of them all. The Catskill aqueduct will convey the water from this territory into all the five boroughs of the city, and from the dam to the city's northern boundary there are 92 miles of aqueduct. It will require three days for water to flow from the Ashokan to the Borough of Richmond. From Ashokan to Croton Lake there are 65 miles of aqueduct, and on this section the work is about 99 per cent. completed, so that if it were necessary Ashokan water might be brought into New York by way of Croton Lake and the present Croton system in about two months. The Esopus territory cannot be depended upon for more than about 250,000,000 gallons daily, but the Catskill aqueduct has been constructed of twice that capacity, so as to provide for future needs.

The Ashokan reservoir has an elevation of 590 feet above sea level, and will have, when completed, a storage capacity of 130,000,000,000 gallons. The dam is 190 feet through at the base and is 26.5 feet wide on top. It rises 210 feet above the bed of the river. The Kensico reservoir in the Byram and Bronx Watershed is 355 feet above sea level and will have a capacity of 30,000,000,000 gallons.

President Strauss of the Board of Water Supply has recently stated that Catskill water will be flowing from household faucets in about two years, and that its force will be sufficient to raise it to the top of a twenty-story building.

In response to a question by Mr. Shallcross, Mr. Culyer pointed out that the Catskill aqueduct will not deliver water direct in Manhattan below Fifty-ninth Street, but that Catskill water will be flowing through the present Croton mains by way of Croton Lake, as previously explained. The Catskill aqueduct, which reaches all five boroughs, is tapped at various points throughout the city, but does not extend below Fifty-ninth Street in Manhattan, crossing from there to Brooklyn.

A series of pictures of the various reservoirs in the Croton system was next shown, not the least interesting of which was one of the old aqueduct spanning a road bridge across a stream. All of the pictures were highly artistic, which fact was commented upon. One of them showed the "blow-off" at Croton Lake, where Catskill water will be delivered to the Croton system, and another showed where the original Croton dam, now thirty-six feet under water, was just being submerged by the rising waters of Croton Lake.

Following the pictures Mr. Culyer displayed a large map of the Croton watershed, which gave those present a definite idea of the territory from which water is being drawn and the relative positions of the various reservoirs.

At the conclusion of the lecture, on motion of Mr. Bament, the speaker was given a hearty rising vote of thanks.

Medico-Actuarial Investigation Report.

The fourth volume of the report of the medico-actuarial investigation which has been going on by forty-three life insurance companies for several years, has just been completed and copies are now being furnished to subscribers. This volume deals with the mortality among insured male lives showing medical impairments or defects in physical condition, personal history or family history. These lives have been also studied for results of other character, as for actual causes of death, which in many

Digitized by Google

cases were from cause other than the name of the class under which they were listed, but more or less directly traccable to that name.

The results shown are not to be taken as a guide for the general handling of the diseases considered, since the cases furnished by the participating companies had been subjected to the most critical selection before the policies were written. For example, the death rate from sugar in the urine is given as 103 per cent. of the normal, which is totally different from all theories, and was a great surprise to the committee until it was ascertained that practically all the cases submitted were those in which sugar was found in only one of several tests, all other cases having been rejected under the ordinary practice of the companies. The committee says that neither should this result be taken as indicative that single showings of sugar are inconsequential, since the death rate from diabetes in these cases was found to be very high.

The results of the consideration of pleurisy was very interesting, since the relation of purulent pleurisy to consumption is brought out strongly. In the 636 cases observed where one attack had been had within ten years of the date of application there were twelve deaths among the cases of attacks within five years, furnishing a death rate of 158 per cent. of the expected, and fourteen deaths among the older cases, furnishing a death rate of 104 per cent. of the expected, but of all these deaths only one was from pleurisy, while nine (regarded as a very high percentage) were from tuberculosis of the lungs. There was abundant material for observing pleurisy other than purulent, and in these groups the mortality percentage ran from 147 per cent. of the expected among cases of one attack within two years down to 92 per cent. of the expected among cases of ten years or more before application, but among the 90 cases of attacks within an indefinite time the mortality percentage was 120.

The subject of overweights was considered in great detail, the class being subdivided into numerous groups. Here the highest death rate was found of all the 83 classes considered—228 per cent. of the expected among those 50 per cent. overweight.

Among those with a pulse rate of more than 100 a high percentage is also found, 49 cases furnishing a death rate of 205 per cent. of the expected. Among those who had taken the cure for alcoholic habits the rate was 135 per cent., while among those who had discontinued the use of alcoholic liquors without treatment the rate was 205 per cent.

The subject of syphilis was also treated at some length, the report quoting the conclusions of Dr. Gollman of the Gotha insurance company of Germany, who says that syphilitic cases can be safely insured as soon as it is shown that they have undergone treatment. At ages thirty-six to fifty the deaths are principally due to cerebral diseases, diseases of the spinal cord, alcoholism and especially general paresis.

The report also considers many other classes, such as renal colic or calculus, gout, irregular pulse, intermittent pulse, asthma, goitre, appendicitis, abdominal girth, nervous prostration, blindness, deafness, addiction to drugs, operations, epilepsy, insanity, hernia, and cases of the presence of apoplexy, insanity, epilepsy, diabetes, cancer and heart disease in the family record. There are also classes devoted to "optional" medical impairments, such as sunstroke, where the death rate was 160 per cent. of the expected, the causes of death being largely cerebral hemorrhage and apoplexy, and cystitis, where the rate was 112 per cent. with 15 per cent. of the deaths due to diseases of the bladder, urethra and prostate.

Volume IV is being distributed to all life insurance companies at $10 per copy, which will cover only the cost of the printing, and it is worthy of special notice that although the entire cost of the investigation, amounting to many thousands of dollars, has been borne by the forty-three participating companies, the books are being sold at the price of the printing only, thus making the valuable results available to all companies alike. This is a service to the institution of life insurance for which it would be difficult to give the participating companies too great a recognition.

It is expected that the next volume will complete the report. It will probably deal principally with mortality among persons having a family record of consumption and those having a personal history of malaria, and will probably contain a reference to the mortality in the Southern States. It will also contain facts regarding the mortality under joint life policies. This volume will be issued some time within a few months.

Insurance Legislation.

Kentucky.

FRANKFORT, March 19.—In response to the request of a delegation of three hundred men who asked for a special session of the legislature to repeal the Glenn-Greene bill, Governor McCreary said that he had made a canvass of the legislature and had found that it would not repeal the law. He would, therefore, decline to call an extra session.

The substitute for Senate Bill 11, for a workmen's compensation law, passed the House Wednesday afternoon, and was sent to the Governor at once.

The legislature adjourned *sine die* on March 18.

House Bill 344, relative to the promotion of liability mutuals, was killed.

House Bill 444, relative to the taxation of reinsurance premiums, was passed by the Senate on March 17.

Maryland.

ANNAPOLIS, March 19.—House Bills 470 and 475 have been killed by the House.

House Bill 667 provides that no insurance corporation and no agent or other person shall effect any life insurance other than industrial on the weekly payment plan until after the insured has been examined by a legally qualified physician and has been found to conform to the standards prescribed by such corporation. No form of Group Insurance shall be effected from the membership of any supreme body or subordinate lodge or body as such from any fraternal benefit society. The penalties provided for the companies are not less than $200 or more than $1,000 for first offense, and not less than $500 nor more than $2,500 for second offense, and for agents a fine of not less than $25 nor more than $200 for the first offense, and double these amounts for second offense, or by imprisonment in the county jail for not exceeding six months or by both.

Bills introduced:

Senate Bill — (Campbell), to authorize the conversion of certain classes of non-stock life, accident or health insurance companies into stock corporations.

House Bill 447, to require the registration of agents, has been killed by the House, after a favorable report by the insurance committee.

Massachusetts.

BOSTON, March 19.—The House has admitted the petition of John A. Collins that insurance companies may insure against loss caused by explosion of tanks or other receptacles under pressure.

The following bills were reported adversely by the House insurance committee: House Bill 1594, limiting reinsurances; House Bill 1595, to prohibit "inducements for insurance"; House Bill 1600, for a valued fire policy; House Bill 1601, to amend the standard fire policy; House Bill 1942, relating to the assets of foreign mutuals.

Digitized by Google

The House committee reported favorably House Bill 1284, to license public adjusters, and reported "leave to withdraw" on House Bill 1597, relating to fraternals.

The House insurance committee has reported the following bills adversely: House Bill 976, limiting insurances in Boston; House Bill 977, providing tests for company solvency; and House Bill 1172, relating to payment of losses.

The Senate insurance committee reported Senate Bill 81, in a new draft, as Senate Bill 441; House Bill 109, in a new draft, as Senate Bill 442; House Bill 1596, in a new draft, as Senate Bill 442; House Bill 110, in a new draft, as Senate Bill 443; House Bill 111, in a new draft, as Senate Bill 444; House Bill 1943, "leave to withdraw"; Senate Bill 163, "leave to withdraw."

The Senate insurance committee reported adversely on Senate Bill 259, relating to reciprocals and interinsurers.

The Senate has engrossed Senate Bill 444, relating to life insurance loans and surrender values.

House Bill 2320, relative to adjusters' licenses, has been engrossed by the House.

Mississippi.

JACKSON, March 20.—Committee reports:

House Bill 435, to keep foreign corporations out of the State, was reported adversely by the House.

The compulsory investment bill was expected to be heard Friday afternoon.

The legislature has agreed upon March 28 for adjournment *sine die*.

The insurance committee of the House has reported favorably House Bill 422, regulating the payment of losses under fire, marine, windstorm, tornado and hail insurance policies. The bill has been amended, but is said to be as objectionable as ever, since it retains the arbitration feature, the section requiring the payment of lawyers' fees, and the limit of sixty days in which to make settlement.

New Jersey.

TRENTON, March 19.—The House has passed House Bill 323, to license public adjusters.

The House insurance committee reported House Bill 714, relative to industrial insurance agents.

The Senate has adopted a resolution for adjournment *sine die* on April 2.

The Senate has passed Senate Bill 211, to require the reporting of reinsurance premiums.

Senate Bill 288, extending compensation benefits to employees in mines and quarries, has been passed by the House.

New York.

ALBANY, March 19.—Governor Glynn on Monday signed the workmen's compensation bill, and named the following commissioners, who were confirmed by the Senate: Robert E. Dowling, of New York; John Mitchell, of Mt. Vernon; Dr. Thomas Darlington, of New York; and Hon. J. M. Wainwright, of Rye. The fifth commissioner is still to be appointed.

The Senate has passed Senate Bill 606, to amend the public adjusters' license law.

Bills introduced:

Senate Bill 1196 (Rampsberger), to enact a new section, 204-a, authorizing the superintendent of insurance to grant certificates to secret or fraternal orders to do business in foreign States.

Senate Bill 1200 (Foley), to enact a new article, 2-a, permitting thirteen or more owners of automobiles not used in trade or manufacture, or operated for hire, to incorporate for the purpose of insuring on the mutual plan against damage, accident, or legal liability. This bill was advanced to third reading, and referred to the insurance committee.

Senate Bill 845, to provide for comprehensive residence insurance policies, has been passed by the Senate.

Senate Bill 118, providing for the treatment of deposit securities as trust funds, has been passed by the House.

The bill providing for the revision of the New York standard fire insurance policy in accordance with the recommendation of the special committee of the National Convention of Insurance Commissioners was introduced in the House this Friday morning by Chairman Horton, of the House insurance committee. The bill is House Bill 1495. It is expected to be adopted without opposition.

Virginia.

RICHMOND, March 16.—The legislature adjourned *sine die* on March 14, at 12 o'clock midnight. The following shows the disposition of some of the insurance bills introduced during the session:

SENATE BILLS.

Senate Bill 36, requiring insurance companies licensed in Virginia to have provisions in policy that loan made to insured on policy may not be deferred over sixty days after application therefor, except loan made to pay premium; and that where policy may be surrendered for cash value, company may not defer payment over sixty days after application therefor. Passed by in Committee on Insurance and Banking.

Senate Bill 34, workmen's compensation act. Referred to a sub-committee, and, coming under a special rule during the closing days of the session, was never voted on.

Senate Bill 40, Mobile bill. Passed both houses, with several amendments.

Senate Bill 57, regulating fire insurance premium rates, and creating a State insurance board. Reported adversely by committee on insurance and banking and never voted on.

Senate Bill 238, defining "12 o'clock noon" in fire insurance contracts. Passed both houses.

Senate Bill 275, relating to the issuance of policies by fire insurance companies, by or through underwriters' agencies. Passed Senate, but was defeated in House (received a majority, but not a constitutional majority).

Senate Bill 251, allowing deposit of surety bonds by insurance companies in lieu of the bonds now required by statute. Passed House, but was never voted on in Senate (account of session ending).

Senate Bill 315, amending the existing law so as to allow non-residents having policies on property located in the State a lien upon the bonds deposited by the companies with the State treasurer. Passed by indefinitely in the committee on insurance and banking.

Senate Bill 334, prohibiting taxation of reinsurance premiums on fire insurance policies. Passed both houses.

Senate Bill 359, making fire insurance policies good notwithstanding misstatement by insured of his interest in, ownership of, or title to the property, unless policy fraudulently procured by the insured. Passed by indefinitely in the committee on insurance and banking.

HOUSE BILLS.

House Bill —— (Jordan and Williams), anti-compact bill. Passed by indefinitely in committe on insurance and banking.

House Bill —— (Robertson), regulating investments and taxes of life insurance companies. Referred to a subcommittee and never voted on.

House Bill —— (Smith, F. W.), allowing the commissioner of insurance to make-adjustment of fire losses in certain cases. Passed by indefinitely in committee on insurance and banking.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT,
FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur B. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Digitized by Google

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

"Two of the Oldest and Strongest Fire Insurance Companies of France"

General Fire Assurance Company

OF PARIS, FRANCE

ESTABLISHED 1819

Urbaine Fire Insurance Company

OF PARIS, FRANCE

ESTABLISHED 1838

Agencies Desired in the Principal Cities and Towns

FRED. S. JAMES & CO.

UNITED STATES MANAGERS

NO. 123 WILLIAM STREET

NEW YORK CITY

FRED. S. JAMES GEO. W. BLOSSOM

CONTINENTAL

CASUALTY COMPANY ASSURANCE COMPANY

H.G.B.Alexander. Pres.

General Offices

Chicago

INSURANCE

HEALTH AND ACCIDENT LIFE

Do you know that

Security Mutual Life Insurance Company

BINGHAMTON, N. Y.

FREDRIC W. JENKINS, President

has GOOD THINGS to offer GOOD MEN. If not, learn about them by addressing for particulars

C. H. JACKSON, Supt. of Agencies

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company

OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.

INCORPORATED 1851.

Hon. GEO. A. COX, President.

W. R. BROCK, Vice President.

W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY 1st, 1913.

Assets	$2,464,562.05
Surplus in United States	1,018,318.63

British America Assurance Co.,

INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA

FIRE INSURANCE

UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W. R. BROCK, Pres. W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL,	$100,000.00
SURPLUS TO POLICYHOLDERS,	182,372.07

Accident and Health Insurance

Commercial and Industrial Departments

Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

REPRESENT A WESTERN COMPANY

The Reserve Loan Life Insurance Co.

INDIANAPOLIS

OPERATES UNDER THE

COMPULSORY DEPOSIT LAW of Indiana

RELIABLE AGENTS WANTED

Address: W. K. BELLIS, Secretary

Trouble Proof are the Policies

issued by the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON
General Agent
Metropolitan District
St. Paul Bldg., 227 Broadway
NEW YORK, N. Y.

That's why Agents have a minimum of trouble selling them

Now Then!

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

"CHEERFUL YESTERDAYS— CONFIDENT TO-MORROWS."

Our Field force is "Cheerful" over the yesterdays of 1913—both issues and deliveries were larger than in the phenomenal year 1912. Our field force is "Confident" in respect to the "To-morrows" in 1914. Already they have made a fine start, and they face the future fearlessly, filled with faith in their country, with pride in their business and with devotion to their Company. Occasionally we have an agency opening for a delivering producer.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers, Middle Department.....434 Walnut St., Philadelphia

Digitized by Google

THE Phoenix Insurance Co.,

OF HARTFORD, CONN.

JANUARY 1, 1914

CASH CAPITAL	$3,000,000.00

ASSETS.

Cash on Hand, in Bank, and with Agents	$1,821,592.53
State Stocks and Bonds	10,000.00
Hartford Bank Stocks	609,512.00
Miscellaneous Bank Stocks	444,598.00
Corporation Stocks and Bonds	3,948,022.00
Railroad " " "	6,329,087.75
County, City, and Water Bonds	1,050,850.00
Real Estate	141,013.38
Loans on Collateral and Real Estate	110,100.00
Accumulated Interest and Rents and other Claims	103,280.22
Total Cash Assets	$14,568,055.88

LIABILITIES.

Cash Capital	$3,000,000.00
Reserve for Outstanding Losses	578,003.19
Reserve for Re-Insurance	5,619,137.31
Reserve for Contingencies and all other Liabilities	210,000.00
NET SURPLUS	5,160,915.38
	$14,568,055.88

Increase in Assets,	$2,762,006.47
Increase in Reserve,	643,180.04
Increase in Surplus,	1,005,824.58

SURPLUS TO POLICY-HOLDERS, $8,160,915.38

Total Losses Paid since Organization of Company, $76,000,760.74

EDWARD MILLIGAN, President. GEO. M. LOVEJOY, Vice-President.
JOHN B. KNOX, Secretary. THOMAS C. TEMPLE, Secretary.
THEO. F. SPEAR, Ass't Secretary. GEO. C. LONG, JR., Ass't Sec'y.
GEORGE H. TYSON, General Agent Pacific Department, San Francisco, Cal.
J. W. TATLEY, Manager Canadian Department, Montreal, Canada.

AGENTS EVERYWHERE

"A Permanent Position"

That's what a Prudential agency contract means for the man who makes good. The Prudential has agents who have been with us more than thirty years.

Write us about an agency.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

20% MORE WEEKLY INDEMNITY

OR

50% LARGER DEATH INDEMNITY

AT

NO INCREASE IN PREMIUM RATE

Agents who solicit "PREFERRED" accident risks will be interested in our new policies.

The Preferred Accident Insurance Co. of N. Y.

KIMBALL C. ATWOOD, President

290-292 Broadway, New York

NOW IN PREPARATION

THE RECORD OF

FIRE INSURANCE BY STATES

The Standard Authority on Fire Insurance Results, Classified by States

The information contained in this record is classified by States for each and every company, and includes:

Risks written . . . . 1880 to 1912 inclusive, and 1913.
Premiums received . 1880 to 1912 inclusive, and 1913.
Losses paid . . . . . 1880 to 1912 inclusive, and 1913.
Losses incurred in 1913.
Loss Ratio for 34 years and for 1913.
Average rate of premiums in each State.
Average loss ratio for each State for 34 years.
Year each company entered each State, and number of years each company has transacted business therein.

PRICE, $15.00 Per Copy *SOLD ON ADVANCE SUBSCRIPTION ONLY* **ORDER NOW**

SAMPLE PAGES ON REQUEST

THE WEEKLY UNDERWRITER

80 MAIDEN LANE
NEW YORK, N. Y.

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MARCH 28, 1914. No. 13.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

THE fire insurance situation in Kentucky is practically at a standstill, as the companies, with but few exceptions, have not only suspended business in the State, but have been conspicuous by their absence from a conference of business men called by Chairman Laffoon of the State Rating Board. A postponement of the conference for two weeks was effected, doubtless with the hope that the underwriters will by that time be disposed to meet the State officials and listen to any proposition they may have to make. The officials are facing an awful business condition, with the certainty that they will have to accept defeat. A fire insurance famine is in sight, and that means the wrecking of wholesale business, the cessation of enterprise and the discharge of labor from employment. The public will hold the authorities responsible. The companies command the outlook, and victory will accompany their firmness. They will make Kentucky more conspicuous as an object-lesson than Missouri and Arkansas were.

WHILE panic is always possible among employes in a factory fire, the chances are much diminished by their training in fire drills. Attention to the progress of this form of education has been called by the New York City Fire Department this week, in an arrangement to celebrate the third anniversary of the Triangle Shirtwaist Factory fire of 1911, when 147 persons lost their lives. The celebration consisted in fire drills in all the factories in which they have been established and in all the public schools at a given hour in the morning, when the sound of a whistle or gong in each case set the mass in sudden motion. Such a performance would necessarily be successful—as it was—for the performers were forewarned and prepared for it. But undoubtedly the fire drill would save them in the majority of instances where the alarm came without warning. The labors of the Fire Department and the Bureau of Fire Prevention in enforcing the fire drill is therefore of the highest value. They should be supplemented by frequent official inspections, the multiplication of fire-escapes, the installation of automatic sprinklers and the fireproof construction of buildings as nearly as can be. Triangle Day may be an occasion of public observance for a number of years, as it was on last Wednesday, and it will always serve to remind the thousands of workers in factories of the need of discipline to ensure safety in times of trouble by fire.

WE print the address of Vice-President Rumsey, of the Continental insurance company, at the meeting of the Insurance Society of New York, and believe that our fire insurance readers will regard it as a material contribution to the solution of the problem of adjusting the relations between the underwriters and the public harmoniously. Mr. Rumsey believes—with the large majority now of fire insurance officials—that the matter of State rate-making, or State supervision of the making of fire insurance rates, will continue persistently, and he feels that it is the part of wisdom for the companies to recognize the fact and prepare to meet it. He is satisfied that the public will be disposed toward justice to the companies if it can be made to understand the situation, and that when it does it will not be influenced by the politicians. If the public belief is that rates are too high and that the companies are making unwarrantable profits from the business, that is a matter to be explained, and it can be explained with comparative readiness by the insurers. If the demand is that rates be based on classification, with the rate upon each class adjusted to its loss ratio, Mr. Rumsey is of the opinion that it is entirely possible to meet this requirement, "regardless of whatever views may be held as to the value of classification for scientific rate-making." In brief, what is needed to settle the present differences is the systematic informing of the public. Mr. Rumsey's conclusion is that "the public will be satisfied with practically any scale of rates which is based upon the statistics of accumulated experience, just as the public is to-day satisfied with the broad and inaccurate basis of classification upon which life insurance rates are founded." It is important to learn what the people want, but vital what the companies must have, and that is, "primarily and fundamentally, rate stability and a satisfied public." With these ends in view, the fire underwriters may confidently organize for a campaign of education, which course has been consistently advocated by this paper.

THE predicament of the small fire insurance company is being brought more and more to the attention of close students of the fire insurance situation, and especially to the executives of the small companies. Ten years ago no reinsurance companies were in operation in this country, and large risks were divided among all companies desiring to carry a portion of the liability. At the present time, however, any sizable company may take on an unlimited liability, which it immediately reduces to a wise figure, as to itself, by means of reinsurance, and the small company formerly represented

Digitized by Google

gets no share in the business. This practice is being carried on in such an increasing volume each year that it is becoming alarming to the small companies, and it may well be considered whether it should continue. There are some excellent insurance men at the head of the smaller companies. They are gentlemen of high character and underwriters of ability and quality. It is of great value to the business in times of impending legislative crises to have the aid of these local insurance centers in restraining legislators from iniquitous action. The influence of local capital and underwriters of the vicinage in such cases is the strongest with which inimical tendencies can be met. The business is indebted to these companies and their officers and stockholders for numerous checks of this kind. It may be said that the development of reinsurance and the flow of business to the larger companies is but natural. It may be contended in reply that not all natural things are recognized as desirable, notable instances being numerous large aggregations of capital recently under consideration in this country. There ought to be some kind of relief for the smaller companies, whether it be through the privilege of charging a slightly smaller rate for their insurance, or by paying a slightly larger commission to agents, or by means of joint policies issued by groups of four or five companies. The objection to rate or commission differentials may be met with the argument that this method is employed by the railroads in adjusting their competition. A retail business always costs more than a wholesale one, but it would be unwise and impracticable to dispense with retailers. The question is a serious one and is worthy of serious discussion, and this paper would welcome communications on the subject. Embarrassment might be avoided by some equable agreement on the matter, since legislation to restrict reinsurance is now being attempted in New Jersey with fair prospect of success; and if statutes are to be placed on the books at all, they ought to be wise ones. The business has been too much hampered already by unwise legislation. Anything that is done along the line of restricting reinsurances ought to be well advised to be of a permanent character.

CHARGES of violations of the agreements which form the foundation of the New York Fire Insurance Exchange are being discussed among fire underwriters in this city just now. They bring to mind similar charges which were made some years ago and carried to the trial committee of the Exchange. This tribunal, after finding an amazingly large number of individuals to whom the offending member was regularly paying excess commissions, imposed what was, in their judgment, a sufficient fine. Upon certain threatening representations being made to the Exchange, the fine was modified largely. Such occurrences raise the question as to whether any committee composed of members of the Exchange can reasonably be expected to impose and enforce punitive restrictions upon offenders of this character. From the files of this paper we reproduce a portion of some very sensible remarks on this very topic made by Elijah R. Kennedy in an address before the Fire Insurance Society of Philadelphia in January, 1911, which are well worth studying to see if a solution may not lie in his suggestions. As reported in our issue of January 21, 1911, Mr. Kennedy said:

Deviations have disrupted about every agreement on rates that ever existed, and they will break up every one now in existence, or that may be made in the future unless they can be prevented. As every expedient hitherto adopted has failed to prevent this practice, isn't it worth while to try something new?

Hitherto the task of discovering wrongdoing of this sort has not been sustained with the ingenuity, the vigor, the persistency, and the effectiveness that have been displayed by the practitioners of perfidy; therefore I would have examinations of all offices made, from time to time, by "competent and disinterested parties," as banks are examined. Deviations discovered should be reported to a permanent tribunal composed of men having no interest with or relation to any of the members of the association. This tribunal should also take note of allegations of violations received from whatever respectable source—from members, brokers, or others—and should conduct all investigations and trials it might deem requisite. The trial of charges by committees is not only ineffective; it is absurd. In New York City, for instance, men have been compelled to pay fines in cases where nobody doubted deviations were innocently made—the result of errors of interpretation or construction of difficult rules. At the same time more than a million dollars in premiums is dishonestly diverted every year.

I do not say that deviations, even when free from moral turpitude, should go unpunished; every man is assumed to know the law; but I do insist that conscious, deliberate dishonesty should be adequately punished. You all remember the ancient Texas story of the man who was accused of stealing a wagon load of hams out of a smoke house. Credible witnesses swore that they saw the man back up his wagon, pry open the door, take out the hams, load his wagon with them, and drive off. The owner swore that he had not sold the hams, and yet the jury acquitted the accused person without leaving their seats. After it was all over the defendant's lawyer said: "Tell me the secret of that acquittal by the jury." "Why," said the man, "all the jurors had some of them hams."

I should regret to have you infer that I believe all the members of committees who try such matters in New York have been guilty of dishonorable practices; I do not, but most of us are entirely uneducated in the rules of evidence and inexperienced in the methods of trials. Even in the few cases throughout the entire country where there have been convictions of unauthorized deviations, penalties have not been heavy enough to exercise a deterrent effect. Money penalties should be heavy enough to make dishonesty unprofitable, and in extreme cases—cases of flagrant, persistent bad faith—there should be something equivalent to imprisonment, as, for example, suspension for a time of official functions or agency relations, with a guaranty that salaries or commissions should cease during periods of suspension, and not be subsequently made up. Such cases, too, should be given wide publicity.

Agreements among the members of associations should be in the nature of contracts enforceable through civil actions in the courts. I believe such agreements could be drawn within the law. Agreements to suffer penalties for cheating would not be construed as in restraint of honest trade.

I do not intend to suggest that most insurance men are dishonest, any more than laws against crime imply that a majority of the community is composed of criminals. But as there are those who commit crimes against the State, and as our governments have devised penalties intended to deter unlawful acts, I believe it would be wise for underwriters to adapt to the conditions existing in their business some of the methods and principles that have proven efficacious in the government of the State.

Fire Insurance.

The following notice has been sent to the companies regarding the **recent ruling** on non-resident agents and underwriters' annexes **by the Michigan Insurance Department:**

Supplementing our statement of March 4, in which it was indicated that the companies issuing "Underwriters policies" had agreed to conform to the ruling of this Department, of February 10, last, in the matter of the operation of non-resident agents, brokers and underwriters, we desire to outline the steps necessary to meet the requirements of that ruling.

FIRST.

It will be necessary for companies to make these "Annexes" absolutely departments of the particular company concerned. There must be no subterfuge resorted to, but these departments must be departments in fact as well as in name. Their relation to the home office must be no different from that of a Western or Eastern, or Southern or Pacific, or any other regular department.

SECOND.

(a) All policies must be the policies of the company, and must follow the same general form and the Standard policy law exactly.

(b) Nothing must be inserted in connection with the title of the company, on the face of the policy. Any designating marks or names employed by the company to indicate what department is using the same,

Digitized by Google

and placed on the face of the policy, must be in small type, and printed on the margin.

(c) The filing back of the policy may bear the name of a department if the same is set off from the title of the company by a bracket or panel; also it may have the name of a general manager printed thereon, or resident agents' "sticker" may be placed thereon. The words "issued through" or "by," or "underwritten by" a particular department or similar expressions must not be used on any policies.

(d) The title of the company must be printed in type more prominent, and in a place more conspicuous, than any other descriptive matter.

THIRD.

All forms used in connection with policies must be in conformity with the above.

FOURTH.

All stationery and advertising matter, signs, etc., must clearly indicate that it is with a recognized company that the public is dealing. And in all general advertising, whether on the back of the policy or elsewhere, where the name of more than one department is used, the names of all similar departments must appear, the purpose of this being to keep constantly before the public the fact that the hitherto so-called "underwriters agencies" are in fact, as well as in name, actual departments of the companies.

FIFTH.

These rules and regulations are to go into effect May 15, 1914. I should have been pleased to accede to the request to allow all existing policy forms to be used, before enforcing the new rule, but inasmuch as some agencies might be many months in disposing of their supplies, I have deemed it advisable and just to all to set a fixed time for placing the regulations in effect, which time is set above.

(SIGNED) JOHN T. WINSHIP,
Commissioner of Insurance.

The Kentucky situation has been strengthened on the side of the companies this week by the withdrawal of the Continental group from all business except the renewal of farm policies, which makes the suspension of business practically unanimous. In a letter to the Chicago secretaries of the Continental and Fidelity-Phenix President Henry Evans describes the efforts of the Kentucky officials to require the filing of rates, and says:

We take it that this demand may be considered indicative of the attitude of the State Rating Board of Kentucky toward this company, notwithstanding the fact that we had not at the time this demand was made suspended doing business in the State of Kentucky, and, such being the case, we are of the opinion that it would be foolish to try longer to do a recording business in the State of Kentucky, because under forms 42 and 43, as promulgated by the State Insurance Board, we may be called upon for similar information in connection with fire rates. It would be impossible for us to give such information, because the actuarial bureau in Kentucky has been closed and the expense connected with the maintenance of such a bureau by this company, or a few companies, would be prohibitive. This situation forces us to the conclusion that it is the desire of the State authorities to force this company to discontinue doing further business in Kentucky, and we have, therefore, instructed you to close all recording agencies. Because the conditions are different in connection with our farm business, we will continue that branch of our business.

The latest from Louisville is a news dispatch saying that the Kentucky State officials held a conference with the business interests and commercial organizations of Louisville Tuesday in an effort to reach some compromise on the fire insurance situation resulting from the passage of the Glenn-Greene law. The conference was held at the request of Ruby Laffoon, chairman of the State insurance board, but the commercial organizations insisted that representatives of the insurance companies be invited. The invitation to them was not received until Monday, too late for any action to be taken, as C. J. Doyle, associate counsel of the national board, who was in charge of the Kentucky legislation, is in New York. Because of this the conference was adjourned for two weeks after Mr. Laffoon had set forth the position of the insurance board.

The commissioner for the **World's Insurance Congress** at San Francisco in 1915, in a bulletin just issued, notices the appointment of L. H. Fibel by the Detroit Conference as its representative in the National Council of the Congress, and of T. B. Macauley, managing director of the Sun Life of Toronto, as the representative of the Canadian Life Insurance Officers' Association, and adds:

And every week now sees one or more new associations of national importance recognizing the World's Insurance Congress by resolution, and naming important members to represent them in the first organization of a national scope wherein all of the various interests of a business and professional nature connected with underwriting find a mutual point of contact. And, as it becomes more fully understood that membership in this National Council means a strengthening of the various associations represented in it, the few stragglers who did not at first get a full understanding of the importance of a national body of this character are coming in, until the Council is now practically completed, although there are still a few associations eligible to representation whose representatives will be welcomed; but as it stands to-day, the National Council does truly represent the Nation from an insurance standpoint; and some of the members named to serve upon it, as well as the associations which they are to represent, speak forcibly of the class of endorsement that the World's Insurance Congress has received; and gives a guarantee that is evidently satisfying to the insurance world of a safe and intelligent guiding of World's Insurance Congress affairs through this National Council, under whose direction all essential features will be. A glance over the list of the few important associations, as well as the character of the representatives which they have delegated, gives this assurance, for we find the Association of Life Insurance Presidents, represented by Hon. Robert Lynn Cox; The Western Union, A. W. Damon; The Insurance Institute of America, Herbert Folger; The Association of Life Insurance Medical Directors, Dr. W. W. Beckett; The International Association of Casualty and Surety Underwriters, Charles H. Holland; The Actuarial Society of America, W. C. Macdonald; The American Life Convention, Thomas L. Miller; The National Board of Fire Underwriters, Whitney Palache; The National Association of Life Underwriters, George A. Rathbun; The Life Underwriters Association of Canada, John A. Tory; The National Fire Protection Association, Franklin H. Wentworth; The National Association of Insurance Agents, C. H. Woodworth, and The National Fraternal Congress of America, A. R. Talbot, as well as many others on the Council.

The *State Capital Record* of Olympia, Wash., which was a persistent opponent to **H. O. Fishback** during his candidacy for the insurance commissionership of Washington, having become impressed with the good work of Mr. Fishback, gives him the following complimentary notice this week:

H. O. Fishback, state insurance commissioner, is doing more good work with less noise than any state official we have had for a long time. Mr. Fishback is doing big things every day, but his office is getting less publicity than any other. The reason for that condition is that Mr. Fishback takes enforcing the law as a matter of course and something to be expected from all state officials and not something to be crowed about. He does not believe in keeping a press agent telling what a great and good servant of the people he is making. Also his office is run on a strict business basis. . . .

On April 1 all of the agents' licenses to do business will expire. Several hundred agents of the state, who have been rebating, splitting commissions, doing a brokerage business on an agent's license and in other ways getting around the law and believing that they were doing so without any one getting on to the fact, will find when they send in their applications for new licenses that they can no longer do business. They have been given their chance to make good and have not done so, so the axe will be used. April 1 will be housecleaning day and a great number of dishonest agents, whose wanderings from the straight and narrow path have been discovered, will be out and injured.

All of which is greatly to the credit of H. O. Fishback, who is proving to be as big a man, mentally, morally and in ability, as he is physically; and for the benefit of those who do not know him by sight I will add that he is without doubt the biggest man physically on the pay-roll of the state.

The Kentucky Court of Appeals holds, in the case of Gresham vs. Norwich Union Fire, that an insurance agent having authority to solicit insurance, accept risks, agree upon and settle the terms of insurance and issue and renew policies, has authority to make **a preliminary parol contract** binding on his principal either to issue or renew a policy about to expire, but that while a custom on the part of the agent to renew policies and credit the insured for the premium is admissible on the question of waiver of the payment of premiums, it is not sufficient to bind the company, a contract to renew being necessary. In the case before the court it appeared that the agent of two

Digitized by Google

insurance companies carrying insurance on certain buildings met the insured and asked him to take out additional insurance. The insured declined to do so, but said to the agent, "You may carry the two policies you are now carrying," and the agent replied, "Certainly; I don't want to lose what I have got if I can't get any more." The court said that the language of the two parties was too vague, uncertain and indefinite to constitute a binding executory contract to renew.

The Jackson, Miss., *Daily News* claims to be the first daily newspaper in the country to establish an **educational insurance page.** On March 24 the paper said editorially:

The *Daily News* to-day presents to its readers what is believed to be the first educational insurance news page that ever appeared in the secular press of the United States. The Mississippi Association of Life Underwriters, in co-operation with the various fire and general agencies of Jackson, is responsible for this unusual accomplishment. The page has for its purpose not alone the enlightenment of the people on the question of the important part insurance has come to play in the daily affairs of men and women, but primarily it is intended to aid in the great movement for the conservation of human life and property.

Aside from containing all the latest news of particular concern to insurance men, the department will treat of fire and life problems of interest to the general public, policyholders and prospective policyholders. Useless fire loss through unnecessary building hazards, technical features of policies explained in plain language, how the whole community suffers from the unscrupulous insurer, and other subjects of vital importance to every one, will be taken up from week to week. The insurance page will appear in the *Daily News* every Tuesday afternoon. It is edited by and under the direction of K. H. Pullen.

The Brooklyn insurance agency of **J. Lehrenkrauss' Sons** has conducted an **insurance institute** for the benefit of the employees of the agency during the past three months, closing last Saturday. Among the lecturers during the course were Edward R. Hardy, of the New York Fire Insurance Exchange; President Edward W. De Leon, of the Casualty Company of America; Francis O. Affeld, Jr., and John F. Boylan, manager of the agency's insurance department. The subjects considered ranged from a study of insurance in general and the firm in particular to business English and correspondence. Lectures were given on the standard policy, forms and clauses, losses and adjustments, and other features of the business, including the value of courtesy and the efficiency of team work. The lecture of Mr. De Leon was on casualty insurance. The institute was regarded as a great success, and is expected to become a permanent winter feature of the agency's work.

The insurance commissioner of **Arkansas** publishes a statement compiled from the returns of the sixty-one fire insurance companies transacting business in the State, showing that the premium collections in Arkansas in 1913 were $3,065,228 and the losses paid $4,235,768. This does not include the record of four companies which withdrew during the year on account of unprofitable business. In other words, if expenses be added to losses, their excess over premiums in Arkansas during the year was $2,304,154. For the five-year period 1908 to 1913 inclusive, the total outgo in losses and expenses was $14,927,730 and the total premium receipts were $11,298,993, showing a loss to the companies of $3,628,743. Arkansas has always been an unprofitable State for fire underwriting, and yet a few years ago it undertook to discipline the companies for rate making. A general withdrawal of the companies from the State brought the legislators to their senses.

Concerning the agitation for **federal supervision of insurance** among the companies, a canvass of the views of the heads of the Hartford companies is reported to show that President Dunham of the Travelers, President McIlwaine of the Orient and President Huntington of the Connecticut General Life favor it, President Bulkeley of the Ætna Life, President Milligan of the Phoenix Fire, President Hewes of the Standard and Vice President Smith of the National Fire oppose it, while President Taylor of the Connecticut Mutual Life and President Holcombe of the Phoenix Mutual Life have not yet expressed their opinions. President Clark of the Ætna Fire and President Bissell of the Hartford Fire were out of the city when the poll was taken.

The **Three Trades Fire insurance company** of Kentucky, which was organized two months ago to write whiskey, coal and tobacco lines, has completed its organization by electing I. P. Bernard president, David A. Keller vice-president, Robert R. Green secretary and Caldwell Norton treasurer. These officers, with William Colgan, Clayton S. Baker, Laban Phelps, James C. Bright and James L. Smyser, constitute the board of directors. The company has an authorized capital and surplus of $1,000,000, but a small amount only of the stock has been subscribed for yet. It will do business without agents and directly with property owners of the three Kentucky staples. The officers state that they have no sympathy with the Greene-Glenn legislation.

It seems to be settled that Governor Glynn will appoint William T. Emmet as a member of the up-State Public Service Commission, and the nomination was expected to be made to-day as a part of the concluding business of the New York legislature. Who will succeed Mr. Emmet as **head of the New York Insurance Department** is still a matter of conjecture. Based on merit, insurance men say, the appointment should go to James J. Hoey, who has been a highly efficient second deputy, but as the appointment will probably be purely political, there is little idea among underwriters who the man will be.

The local chapter of the **National Fire Protection Association** will meet at the City Club on Monday evening, April 6, at 8.15 o'clock, at which time the organization will be completed and officers elected. There will be addresses by J. O. Hamitt, of the New York City Fire Prevention Bureau, and Rudolph P. Miller, Superintendent of the New York City Building Department. Both addresses will be on fire prevention topics, and that of Mr. Miller will be illustrated.

The **Local Agents' Club of Chicago** has been formed among the local agents of the Chicago Board of Underwriters, and a constitution and by-laws have been adopted. Only agents and agencies doing business on a strictly commission basis are eligible for membership, which includes a pledge to observe all the rules and regulations of the Chicago Board of Underwriters. The new organization aims to promote the handling of business on the "Golden Rule" plan.

Philadelphia fire insurance premiums, reported to the Philadelphia Fire Insurance Patrol as having been collected in that city during the last six months of 1913, aggregated $2,670,936, of which $643,641 went to the foreign companies. Of the remainder the New York companies were paid $626,876, the Home leading with $75,064. The Philadelphia and Pennsylvania companies collected $713,827, and the balance was divided among the other companies of the country.

Hayden's Annual Cyclopedia of Insurance in the United States for 1911-13 has been published by the Insurance Journal Company at Hartford, Conn. The volume has been divided into two books, one devoted to fire insurance and the other to life and miscellaneous insurance. It is up to the standard of this popular publication, as maintained for many years, and should continue to find a place in every well-maintained library.

Digitized by Google

An appeal is being prepared from the decision of Referee John G. Saxe, by which the Shawnee Fire of Kansas was awarded a judgment of $46,000, with costs and interest, against the agency firm of Newman & MacBain, Inc. The company sued to recover an alleged balance, and the defendants interposed counter claims aggregating $80,000, of which amount the referee allowed $7,500.

The unanimous decision of the New York Appellate Division in the case of William J. Logan against the Fidelity-Phenix **dismisses the complaint.** The suit was to recover 1,400 shares of stock which Mr. Logan claims to have loaned to the late George P. Sheldon, and which it is claimed Mr. Sheldon made personal use of. The case will be taken to the Court of Appeals.

The **annual meeting of the National Fire Protection Association** is to be held at Chicago during the week of May 4. One of the speakers is to be Dr. S. W. Stratton, director of the Bureau of Standards, Department of Commerce, who will discuss "Possible Co-operation Between the Federal Government and the National Fire Protection Association."

The appointment of G. J. Lyons, of Decatur, Ill., as temporary receiver for the **Assureds National Mutual Fire** was made by Judge Creighton on Monday, and at the same time the company was enjoined from doing further business until the matter has been adjudicated. The order was granted on petition of Insurance Superintendent Potts.

On and after April 1 **notes will not be acceptable in payment of premiums** in territory of the Western Union and the Western Insurance Bureau, with the exception of insurance on farm property. The acceptance of warrants and other evidences of debt issued by school districts, State, county or town authorities is not forbidden.

The State fire insurance commission of **Texas** has issued a combined classification sheet, showing the **loss** experienced on seventy-five classes, as reported to the State commission **for 1913.** The premiums were $10,089,375, with a loss ratio of 51.9 per cent., which is a marked reduction from the experience of recent years in that State.

The Continental has objected to the order of Fire Commissioner Adamson requiring the removal of gate valves under roof tanks supplying sprinkler systems, pointing out that this would mean possible flooding in cases of pipe failure and the emptying of tanks whenever repairs were necessary.

The litigation started by the fire insurance companies to set aside the recent reduction in rates ordered by the Kansas Insurance Department has been **taken to the Kansas Supreme Court** by the attorney general. A demurrer recently filed was overruled, and it was from this ruling that the appeal was taken.

The chairman of the Fire Prevention Committee of the World's Insurance Congress has requested the Governor of California to appoint April 18 as **Fire Prevention Day** for that State. The Governor appears disposed to devote an entire week to the purpose.

At a hearing in Albany on Friday the **time** for the filing of dwelling schedules by companies outside of the New York State Underwriters Association was **extended** until June 1. A meeting of these companies will be held in New York on April 16.

The Baltimore Association of Underwriters objects to the issuing of fire and windstorm policies in combination, and has ruled that they **must not be written in Baltimore.** This form of policy was being introduced by the Home of New York.

Another Kentucky fire insurance company is to be organized by Frank M. Fisher, postmaster of Louisville, and connected with the Great Southern Fire of Louisville. The proposed company is to be capitalized at $1,000,000.

The **Insurance Company of the State of Pennsylvania** has elected John J. P. Rodgers secretary, to succeed Edward L. Goff. Mr. Goff resigned on account of ill health, and has been appointed seceretary emeritus.

The **Pennsylvania Insurance Investigating Commission** has resumed its session, meeting this week at Wilkes-Barre. A number of witnesses were examined, and the practices in Luzerne County were studied.

The Appellate Division of the New York Supreme Court has **affirmed the conviction** of Bruno Rothenberg, who set fire to the New York Frame and Picture Company's store at 142 Fulton Street, in June, 1911.

The **Lafayette Fire** of New Orleans denies a report that it is seeking reinsurance. The Lafayette is the only fire insurance company left in Louisiana, and it has done a profitable business for many years.

The **report of the Illinois fire marshal** for February shows 844 fires, with a loss of $1,784,204. Of these, 378 were in Chicago, with a loss of $1,028,242, and 466 outside, with a loss of $655,962.

The **trial** of the case brought by the Pennsylvania insurance department against James Boland at Scranton, who was indicted on a charge of selling unauthorized insurance, is set to begin on April 1.

The fire **premiums in Michigan for 1913** were $9,244,617, with losses of $5,577,805, a loss ratio of 60.3 per cent. This compares with a 53 per cent. loss ratio in 1912 and 61.3 per cent. in 1911.

Milwaukee fire insurance premiums for 1913 were $2,077,183, with losses of $1,033,338, or approximately 50 per cent. The average loss ratio for the last fifteen years is 39.5 per cent.

The **Western Insurance Bureau,** which had appointed its annual meeting for Baltimore, has decided to meet at the Raleigh Hotel in Washington beginning Tuesday, April 14.

Appeal has been taken by Robert J. Rubin from his conviction on the charge of arson. He was sentenced to prison for from six to ten years.

The fire insurance loss on the **Wellesley College building** and contents was nearly $600,000. Twenty-one companies are interested.

The Philadelphia Wanamaker store building, heretofore without insurance, is **to be insured** in the stock companies.

Digitized by Google

Life Insurance.

A statement of the results of his recent circularization of **insurance executives on the subject of Federal supervision** has been made by President Kingsley, of the New York Life, as follows:

I have received about three hundred letters from heads of as many insurance companies in the United States, answering my letter asking whether they would support a movement looking toward the adoption of a constitutional amendment specifically declaring insurance done outside a company's own State to be commerce. Of these three hundred replies, eighteen, or about 6 per cent., express opposition. Of the remainder, a few are non-committal, and some, while favoring Federal control, cite the present unhappy condition of the railroads and raise the question as to what the status of insurance would be if such an amendment were adopted. An overwhelming majority of replies favor the amendment unqualifiedly. It is my present plan to communicate again with all of these companies at an early date, giving them the opinion of an eminent constitutional lawyer as to what the status of insurance in the various States would be after the adoption of such an amendment. I am strongly of opinion, if it appears that by such an amendment we can surely escape the existing nineteen varieties of taxation, through which the States take from insurance an annual toll for the mere privilege of doing business amounting to more than $17,000,000, and at the same time we can escape the constantly increasing diversity of regulation, resulting in infinite confusion and large expense, that there will be a solid body of insurance opinion and a wide approval by public opinion which will make the movement foreshadowed in the pending joint resolution one that will command widespread attention.

A bureau to assist life insurance companies in **reinstating lapsed policyholders** has been organized by Charles I. Iler, and will operate in the Northwestern States as the Consolidated Service Bureau. In his circular announcing the formation of the bureau Mr. Iler says:

The enormous waste due to lapsation is the most serious problem that confronts the company official to-day. The average agent does not make the effort necessary to reinstate lapsed business. This bureau has been organized to revive this class of business, and its staff of experienced men devote their entire time and energy to the companies whose lapsed policies have been turned over to us for reinstatement. We guarantee that it will not switch any business from the issuing company to any other belonging to the Bureau. Every transaction with your company or any information we may get from you pertaining to lapsed business will be held strictly confidential. Assuming always that your company has exhausted the usual means of correspondence to reinstate, our staff makes a personal canvass of the lapsed policyholders.

The net amount of **life insurance in force in Canada** has grown from $335,000,000 in 1909 to $750,000,000 in 1913, a gain of 123.8 per cent. The Toronto *Monetary Times* says:

The amount of loans on life insurance policies in force in Canada increased from $7,000,000 in 1903 to $24,000,000 in 1913, a gain of $17,000,000, or 242.8 per cent. The amount of insurance effected in the Dominion during the year was $55,000,000 in 1903 and $131,000,000 in 1913, an appreciation of $76,000,000, or 138.1 per cent. The amounts shown above are for the business of Canadian life insurance companies in Canada only, i. e., excluding business done by these companies in other countries. The business of assessment companies is also excluded.

The **agency clubs of the Equitable Life** are to hold their annual convention this year at Cape May, N. J., on September 8, 9, 10 and 11. Work is going forward on the programme, concerning which a definite announcement is expected to be made shortly. The debate feature will be continued this year, and there will be much discussion of life income, group corporation and partnership insurance. Home office routine will also be discussed by representatives of the home office.

The first **New England Congress of Life Underwriters' Associations** will meet at the Parker House, Boston, on April 27, when an interesting programme will be given. Among the speakers thus far selected are: Percy V. Baldwin, of Boston; Henry S. Waldon, of Springfield; Franklin W. Ganse, of Boston; Guy F. Wheeler, of Worcester, Mass., and Edward A. Woods and Charles W. Scovel, of Pittsburgh, Pa.

General agents of life insurance companies in **Chicago** meet this week to discuss the question of **reforms** as suggested by President Ferguson of the Chicago Life Underwriters' Association. The elimination of part-time men and the limitation of agency work to members of the association were discussed, but no action was decided upon. A further meeting will be held.

At the annual meeting of the **Life Underwriters' Association of Springfield, Ill.**, officers were elected as follows: President, Marion A. Nelson, of the Equitable Life; vice-president, John M. Stewart, of the Northwestern Mutual Life; secretary, Melville E. Dark, of the Illinois Life; treasurer, Jake Marx, of the John Hancock Mutual Life.

The **International Council of Nurses** will meet in San Francisco during the week beginning May 31, 1915. Besides this, there will be meetings during the week of three national nurses' conventions and of the California nurses' association. Five thousand nurses from fifteen nations will attend the five meetings.

The Chattanooga Underwriters' Association has appointed a committee to make efforts to secure the National Association of Life Underwriters **for Chattanooga** in 1916. Another committee has been appointed to secure the Association of Life Insurance Presidents in 1915. Chattanooga is an ambitious and attractive little town.

The **National Life Association** of Des Moines has reorganized by electing James P. Hewittin as president, to succeed Henry Pyle, whose administration resulted in the loss of the company's Iowa license. The license has been renewed by Insurance Commissioner Bleakley following the reorganization.

A **group insurance policy** with the Equitable Life has been taken out by the Fidelity Trust Company of Newark covering its employees. Although the trust company is closely connected with the Prudential Life, the Prudential could not write the insurance, having no group department.

A course of **lectures on life insurance** at the Tulane University, at New Orleans, has been arranged and the first has been given by Wilson Williams, the Louisiana general agent for the New England Mutual Life, the subject being "Fundamental Principles of Life Insurance."

The **Southwestern Life** of Greenville, N. C., has elected the following officers: President, T. O. Lawton, Jr., formerly general manager, succeeding J. I. Westervelt; vice-president, F. A. Lawton; secretary and actuary, F. M. Phillippi; general manager, A. D. L. Barksdale.

The **Royal Benefit Society** is being investigated by Insurance Superintendent Potts of Illinois, who has asked for a receiver for the company. A hearing will be held on April 6. The diversion of the society's funds is charged by Superintendent Potts.

The **California Standard Life** of San Francisco has been incorporated with a capital of $200,000 to take the place of the

Digitized by Google

projected Standard Life, the organization of which could not be completed.

The **California State Life** of Sacramento has elected J. R. Whisner vice-president and agency director of the company. J. R. Kruse was elected secretary to succeed Mr. Whisner.

It is expected that the **Old Dominion Life** of Norfolk, Va., will be ready for incorporation early next fall. The company has placed about $200,000 of its stock.

A **reduction of capital stock** has been made by the Appalachian Life of Bristol, Tenn., in order to restore an impaired surplus.

The **Amicable Life** of Waco, Tex., has re-elected A. R. Roberts as president and A. R. Wilson as secretary.

The **Two Republics Life** of El Paso, Tex., has elected M. B. Davis as president, to succeed the late A. Krakauer.

Casualty Insurance—Surety Bonding.

The following **letter** has been sent by the New York Insurance Department **to all companies** authorized to transact employers' liability insurance in this State:

Your attention is directed to chapter 16 of the laws of 1914, which adds a new section to the insurance law, under the title "Approval of Premium Rates." Under the provisions of this amendment the insurance department is charged with the duty of approving the adequacy of premium rates and systems of schedule rating, which will become effective on July 1, 1914, for workmen's compensation insurance. The department interprets this law as applying to employers' liability insurance which will be effective on and after July 1, 1914, as well as to workmen's compensation insurance. Under the provisions of the workmen's compensation law, section 54, subdivision 4, an employers' liability policy issued in this State, in order to be valid, must also cover the employer's liability for compensation.

In order to enable this department to give careful consideration to the premium rates and rating schedules submitted by you, it will be necessary for you to file such rates and schedules on or before May 1, 1914. In submitting your application for approval of rates, you will please file such statistical data as there may be available, indicating the basis of computation for net premium, and the percentages of loading for expenses of acquisition, inspection, loss adjustment, home office administration and underwriting profit.

Departure from approved rates will not be permitted, except under a definite system of schedule rating, which will take into account the physical conditions affecting the risk, as established by an inspection of the premises.

The **Casualty Underwriters' Association of Chicago** has elected the following officers: President, George A. Gilbert, Employers' Liability; vice-president, George D. Webb, London Guarantee; secretary and treasurer, H. H. Herbst, Royal Indemnity; executive committee, E. H. Morrill, Travelers; W. T. Blew, Massachusetts Bonding; Wade Fetzer, Fidelity and Casualty; John T. Wagner, Fidelity and Deposit; Carl D. King, Casualty Company of America. A resolution was adopted providing that the new universal analytic schedule be applied to all new risks in Illinois after April 1. The meeting was addressed by Professor A. W. Whitney, manager of the Workmen's Compensation Service Bureau, Carl M. Hansen and Howard Tilson. Thursday evening Mr. Hansen addressed the association and invited guests in the Assembly Hall of the Chicago Board of Underwriters on the new schedule for rating compensation and liability risks, the principles of its formulation, the methods of its application and the general results to be expected. Mr. Whitney also spoke. Both predicted a great improvement in conditions as a result of the new schedule. On some of the best equipped risks it will produce a reduction of 40 per cent. from the present rates.

At the annual meeting of the **Employers' Liability Assurance Corporation** in London on March 10 the chairman, Lord Claud Hamilton, reported a most satisfactory year. He gave an extensive description of the situation in the United States as regards workmen's compensation, and then said, with respect to the American branch:

The enormous work which these changes entailed upon our staff in America is accentuated by the tendency of the State Insurance Departments to exercise control over liability companies both in their rating and their expenses, and, while we do not oppose this when it is for the benefit of all parties concerned, you will understand that it has thrown an excessive amount of work and anxiety on to our staff in America, and I think the best thanks of the Corporation are due to Mr. Samuel Appleton, the American Manager, and his staff for the able manner in which they have dealt with a difficult and wearying situation. You will be glad to hear that this morning I received a private letter from Mr. Appleton, in which he states that in the profitable working of the Workmen's Compensation and Employers' Liability Business transacted by the large offices in the United States concerned in that business, we, the Employers' Liability, have come out on top.

The opinions of F. Robertson Jones, manager of the Workmen's Compensation Publicity Bureau, regarding the proper **workmen's compensation** law for enactment **in Pennsylvania** were stated before a meeting of the Fire Insurance Society of Philadelphia at its March meeting. As summarized by the *American Exchange and Review,* they were that such a law must, if possible, be made compulsory; it must provide for reasonable indemnities, say 50 per cent. of the employees' wages; the coverage must be unlimited; the employee must be accorded the right of action against the insurance company, and positive insurance guarantee must be afforded, either by the formation of a State insurance fund, stock insurance, a mutual association or by self insurance by the employer. Mr. Jones was of the opinion that the next legislature in Pennsylvania would enact a workmen's compensation law.

The **New Amsterdam Casualty** will maintain two executive offices beginning April 1, one for the handling of all business in the South and West, at Baltimore, under the management of Vice President J. Arthur Nelson, and the other at 59 John Street, for the handling of all other business, to be managed by President W. F. Moore and Secretary George E. Taylor. All claims will be handled in New York for the present, although the Baltimore office may later take care of claims arising in its territory. Arrangements for the opening of a Chicago office for fidelity bonds were made this week with Manager S. H. Goldsmith, and the extension of this new department to all States where the company is operating will now be made. The bonding business will be handled through the Baltimore officials exclusively.

The **conferences** between executives of companies writing health and accident insurance with regard to the standardization of policies are **to be continued,** and President Hillas, of the Fidelity and Casualty, is preparing to call the third meeting. The sentiment among underwriters seems to be that immediate notice must be taken of the automobile hazard, which was not in existence when the present rate system was established in 1904. The claims from this clause have increased so rapidly that the companies must either increase the rate or restrict the benefits, the latter seeming more feasible. It is the purpose of President Hillas to continue the conferences until a definite conclusion has been reached.

The **Lumber Mutual Casualty** is a new company organized by parties interested in the Lumber Underwriters of New York.

Digitized by Google

The new company will specialize in lumber and woodworking risks in New York, and expects to begin with a large volume of business. The officers are as follows: President, M. E. Preisch, president of the Haines Lumber Company of Tonawanda, N. Y.; vice-president and general manager, E. F. Perry, manager and attorney-in-fact for the Lumber Underwriters; secretary and assistant general manager, Louis H. Parker, assistant manager and deputy attorney-in-fact for the Lumber Underwriters.

The Ocean announces the **promotion** of Albert G. Ellms to be superintendent of its liability department. Mr. Ellms has been with the company since 1903, serving successively as payroll auditor, credit insurance adjuster and assistant superintendent of the liability department. The Ocean also announces the creation of a new underwriting department, to be known as the workmen's compensation department. This will be in charge of Frank G. Morris as superintendent. For the past twelve years Mr. Morris has been superintendent of the company's metropolitan claim department.

The **Hartford Accident and Indemnity Company** began writing business in New York on Monday. Offices are located in the office of the Hartford Fire, and automobile hazards of all descriptions are written, together with plate glass and burglary insurance. W. R. Wallace is handling the automobile lines; Edward L. Dunkan is superintendent of the plate glass department, and Frank R. Aikin is in charge of the burglary business.

The **Hartford Accident and Indemnity Company** has announced the appointment of J. Frank Anderson as manager of its New York City burglary insurance department. Mr. Anderson has been engaged in a similar capacity in New York for the New England Casualty and is widely known among brokers, who hold him in high esteem. His acquisition should be a decided advantage to the Hartford company.

The **National Surety** has discontinued its branch office **at Pittsburgh** and has gone with the Edward Ball agency as of April 1. Associated with Mr. Ball, who is well known in Pittsburgh surety circles, will be the force of the branch office, including Frank W. Hayes, Talbutt C. Graham and others, and the combination will be a strong one. The results should be equally beneficial to all parties concerned.

The firm of **Ballard & Garrett** has been changed, Mr. Ballard purchasing the interests of his partner. Mr. Ballard will continue as representative of the Prudential Casualty in New York City and Northern New Jersey for all lines, while Mr. Garrett will become Eastern manager of the National Casualty of Detroit, devoting himself to industrial accident business.

The **Columbia Casualty Company** of Lexington, Ky., which was proposed about two years ago, has been reorganized by prominent bankers and merchants and the presidency has been offered to Charles W. Bell, formerly insurance commissioner of Kentucky. The company will have $250,000 capital and surplus of a like amount.

The Comptroller of the Currency has approved applications to organize the following **new national banks**: The Humboldt National Bank of Eureka, Cal., capital $200,000, to succeed the Humboldt County Bank, and the First National Bank of Selma, N. C., capital $30,000, to succeed the Bank of Selma.

The **Plate Glass Exchange** is to be reorganized for greater efficiency and economy following the resignation of Manager Franklin, who enters private business on April 1. The present officers of the Exchange will continue and the offices will be moved to other quarters.

What is described as a **model workmen's compensation measure** was promulgated by executive order of President Wilson on Friday to cover the workmen in the Canal Zone. It is the result of a year of study, and replaces an order of President Taft a year ago, which was found defective.

Recognizing that the moral hazard on mercantile stocks will be increased when the supply of fire insurance dwindles in **Kentucky,** a number of companies writing **burglary insurance** have notified their agents to cease writing business for the present.

Sprinkler leakage rate **statistics,** not being available for confiscation when the Kentucky Insurance Board seized the records of the Kentucky Actuarial Bureau, have been **demanded** from the companies.

A **new form** of workmen's compensation policy is being written by the Ætna, the policy lacking an expiration date.

The Great Eastern Casualty has made **application for license** to transact business in Mississippi.

Personal.

AGENCY APPOINTMENTS

Delaware Underwriters: Charles C. McClure, special agent in Minnesota.

Fire Association of Philadelphia: R. W. Schimmel, State agent in Minnesota, succeeding the firm of Colburn & Heod, both members of which died within a month.

Massachusetts Mutual Life: Blake & Davies, general agents at Philadelphia, succeeding Bray & Buser; James Wustzberger, general agent at Newark, N. J.

National Life of the U. S. A.: J. W. Holt, general agent for the commercial and monthly payment departments at Macon, Ga.; Mann Brothers, as superintendents of the weekly life, health and accident departments at Columbus, Ga.

North American Accident of Chicago: Manager for Oregon, Washington and Idaho, with headquarters at Seattle.

Reliance Life: Leonard M. Quill, Indiana general agent.

Royal Indemnity: H. W. White Investment Company, general agents for casualty lines, at Minneapolis; Hood & Penney Company, general agents for fidelity and surety lines, at Minneapolis.

State Mutual Life of Worcester, Mass.: Richard H. Pickering, general agent at Philadelphia.

Westchester Fire: Furst & Bourke, agents at Peoria, Ill; W. E. Schurman, agent at Pekin, Ill.

Mr. Wilfred Garrettson, for five years manager of the General Adjustment Bureau at Pittsburgh, has been made superintendent of adjustments at the head office, and will remove to New York about May 1. He is succeeded at the Pittsburgh office by Harvey W. Russ, now manager of the Syracuse branch office, and Mr. Russ will be succeeded by E. E. Heins, at present a staff adjuster at the Boston office. Staff Adjuster Frank S. Tuttle, now attached to the Pittsburgh office, is transferred to Boston.

Hon. Henry Bohl, of Columbus, Ohio, who was formerly very prominent in insurance matters, but who has for some time been serving as president of the State Board of Review, and therefore practically out of sight, from the underwriting point of view, is now no longer in the State office, and is reported as being desirous of embarking in the life insurance business. He would be very valuable to any company.

President George E. Ide, of the Home Life insurance company, was chosen to the presidency of the Yale Club of New York at the annual election last week. He presided at the banquet of the Yale Alumni at the Waldorf-Astoria, some twelve hundred members being present, among them ex-President William H. Taft of the United States and President Arthur T. Hadley, of Yale University.

Mr. James E. McHenry, a leading local agent, of Wabash, Ind., committed suicide, March 10, while in a fit of despondency over the loss of near relatives. He was a prominent Mason, was formerly Mayor of Wabash and at one time president of the Indiana Association of Local Fire Insurance Agents.

Mr. Benjamin F. Cator, who recently resigned as vice-president of the Fidelity and Deposit to accept a position with the United States Fidelity and Guaranty, will go to San Francisco and become connected with the latter company's office on the Pacific Coast.

Digitized by Google

Mr. James L. Coyle, superintendent for the Prudential of Newark in the Hartford district, died, March 20, at his home in Hartford, aged fifty-eight years. He had been ill only a week. He had been with the Prudential for twenty-seven years.

Mr. Norman S. King, general adjuster for the Hartford at Cincinnati, died March 21, after a long illness, aged sixty-three years. Mr. King was born at Hartford, and was for a number of years manager of the Roswell Bills Agency at Peoria.

Mr. Richard H. Pickering, who recently retired from the firm of Janney & Pickering, Chicago managers of the Peoria Life and Trust, has been appointed general agent for the State Mutual Life at Philadelphia.

Mr. James M. Magee, manager for the American Surety in Western Pennsylvania, has resigned to practice law, and has been succeeded by John L. Wallace, who has been assistant manager at Pittsburgh.

Mr. Carl T. Prime, who resigned recently as general manager of the Equitable Life of San Antonio, has been elected assistant secretary of the Great Southern Life of Houston.

President Edgar S. Scott, of the Franklin insurance company of Springfield, Ill., died at Dallas, Tex., on Tuesday, from heart failure, while riding with friends in an automobile.

Mr. James A. Lawrence, inspector of Pacific Coast agencies for the Home Life of New York, has been appointed manager for Northern California also, succeeding Frank Sperling.

Mr. C. A. Irwin, recently manager of commercial claims of the General Accident, has joined the staff of the Casualty Company of America.

Mr. Charles A. Adkins, of Adkins & Madden, a leading fire insurance agent at Kansas City, died, March 25, of cancer of the liver.

Mr. M. B. Davis has been elected president of the Two Republics Life of El Paso, Tex., to succeed the late A. Krakauer.

President David W. Armstrong, Jr., of the National Fidelity and Casualty of Omaha, has been in New York a few days.

Miscellany.

Insurance Society of New York.

The ninety-fifth meeting of the Insurance Society of New York at the Aldine Club on Tuesday evening of this week was probably the most notable one in the history of the society. Nearly three hundred of the most prominent men in the insurance business were present, forming a brilliant array of highly developed factors of the fire insurance world. Among them were F. C. Buswell, vice-president of the Home, also president of the Insurance Society; James J. Hoey, Second Deputy Superintendent of Insurance, New York; Hon. Burton Mansfield, Insurance Commissioner, Connecticut; Ogden L. Mills, president, Safety First Society; Ralph Folks, secretary of the Borough of Manhattan; Henry Evans, president, Continental; E. W. De Leon, president, Casualty Company of America; C. F. Shallcross, manager, Royal; Carl Schreiner, United States manager, Munich Reinsurance; C. J. Holman, assistant manager, Commercial Union; Clarence A. Ludlum, vice-president, Home; Albert R. Hosford, assistant manager, Royal; Thomas A. Ralston, sub-manager, Northern Assurance; W. E. Mallalieu, general agent, National Board of Fire Underwriters; C. J. Doyle, assistant general counsel, National Board of Fire Underwriters; Willis O. Robb, manager, and E. R. Hardy, assistant manager, New York Fire Insurance Exchange; James Marshall, secretary, Northern, New York.

The address was given by Vice-President David Rumsey, of the Continental, on "The Relation Between the Insurance Company and the State Governments." It was a thoughtful address, and was delivered by Mr. Rumsey in a scholarly manner. It was listened to with the deepest interest, and the sentiments expressed created a profound impression. Mr. Rumsey's address was in full as follows:

The subject of the relation between the State governments and the great business of fire insurance in this country is somewhat inspiring in its scope, and I approach it with a certain measure of hesitancy.

The diversity of view concerning the authority of the State over the business of insurance is great, and although the subject has been one of vital interest for many years, its uncertainties remain about the same to-day that they have been during generations. All insurance men are familiar with the great case of Paul vs. Virginia. They discuss it with facility, and almost uniformly disagree with its conclusions. Dissent from the conclusions of the Supreme Court is perhaps natural in view of the fact that the adjudication was rendered in 1868, and since that time the nation has progressed and the business of insurance has broadened with the widening and enlargement of business activity, so that to-day the practical aspects of the subject are materially changed in many respects from those which were then under consideration. All insurance men are familiar with the case of Paul vs. Virginia, but it is equally true that, with possible rare exceptions, no insurance men have heard of the decision rendered in the case of Santa Clara County vs. Southern Pacific Railway Company. The two cases establish that, while a corporation is a person, it is not a citizen, and the two decisions, at least in so far as these propositions are concerned, have been reiterated by the highest court of the country to an extent which renders it as certain as such matters can be that these propositions will continue to represent the law until all of us who are here to-night have ceased to be interested in the insurance business.

THE HOLDING THAT A CORPORATION IS A PERSON

means that it is subject to the provisions of the Fourteenth Amendment of the Constitution of the United States, and thus is accorded the same right as that which is given to individuals to the protection of due process of law and the right to the equal protection of the laws. The holding that a corporation, although a person, is not a citizen deprives the corporation of the constitutional right to the privileges and immunities of citizenship which individuals are guaranteed throughout the States of the Union. Translated from the nomenclature of jurisprudence into the parlance of the business world, this means that while the insurance company is protected against arbitrary discrimination and confiscation of its property, it is nevertheless an alien in every State of the United States other than that of its origin, and, therefore, may be excluded from the privilege of doing business or admitted to that privilege only on such conditions as the various States see fit to impose upon it. However unjust or unreasonable this may be as a matter of common sense or competent arrangement for the conduct of business in a country so interdependent in its various parts, nevertheless such is the law, and the condition must be reckoned with as one of the difficult factors to be regarded in any attempt to adjust the relations between the States and the insurance companies upon a satisfactory basis.

As we all know, the case of Paul vs. Virginia originated the doctrine that fire insurance is

NOT INTERSTATE COMMERCE.

It may be that a different conclusion could have been reached by the Supreme Court at the time when the subject was first presented, but the fact remains that a different conclusion was not reached. It may be that the court might reasonably have been induced to change its oft-repeated ruling upon this point through considerations of modern methods of conducting the business of fire insurance. The fact remains, however, that the doctrine has been considered and reiterated, and that a very recent enunciation of the Supreme Court has continued the ruling and put at rest whatever lingering doubt may have existed as to the possibility of securing a different interpretation of the Constitution.

We have heard for many years statements that the business of fire insurance is a private business, which should not be regulated by law any more than the business of buying and selling commodities, but be this as it may, there is no advantage to be gained from a general acceptance of the proposition so long as the business is conducted by means of corporations and the ruling continues that corporations are aliens in every state except that of their origin. Whether conducting a business private in its nature or public in its nature, the alien corporation may be excluded or admitted only upon terms, and this fact is sufficient to give to the States generally full power to secure

CONTROL OF THE BUSINESS.

My personal belief is that fire insurance is not a private business, but rather an enterprise which is affected by a public interest, so that even if the decision of Paul vs. Virginia were reversed to-day and the corporations were accorded the rights of citizenship throughout the country, nevertheless the quasi public character of fire insurance would be sufficient to support

Digitized by Google

State regulation. However this may be, fire insurance has been regulated for generations, and this regulation has been so obviously in response to popular belief in the benefits of supervision that even if the courts should break down the legal principles upon which the right to regulate the business is now established, it seems palpable that the people of the country would insist upon its continuance and would adjust their fundamental laws so as to permit it. We have had regulation with us for generations, and we will have it for the future as we have had it in the past. Let us turn, then, to more practical considerations.

OUR VITAL INTEREST IS IN THE PRESENT

and the future of the business, but the future is indicated by the past, and it may be profitable to spend a few moments in analyzing the operation in the past of State control as it has affected the business of fire insurance. We have suffered for years from amateurish and ill-considered legislation as the direct result of legislative control of our business. We have seen the business warped and distorted from the standards of good practice and good public policy; we have been harassed by futile and incompetent examinations; we have been burdened with excessive taxation; we have been weighted down with a load of legislation enacted to serve ephemeral political purposes regardless of consequences to the business, which have produced annoyance and unreasonable burdens upon insurance companies and ultimately upon the insuring public. We have had as many masters as there are States in the Union, and these masters have all too frequently exercised their authority with the passionate incompetence of children, rather than with the restraint of statesmanship. All this the business of fire insurance has suffered in the past, and yet, with some forty-eight clouds of separate legislative activity in our skies, occasionally a broad beam of sunshine comes through, and this is the light of natural law, which serves as a limit to the activity even of hostile legislatures. The natural force of supply and demand—of popular need for insurance on the one hand and the desire to furnish adequate protection for a reasonable profit on the other hand—is above and beyond the artificial forces of legislation. Statutes and public administration may hinder the course of business, may arrest it, may deflect it, may compel it to accommodate itself to new methods, but the entire force of all the legislatures in the country cannot, for any appreciable time, prevent the people of the United States from securing the accommodation of solvent fire insurance any more than barriers of sand can turn back the relentless current of a great river. The legislatures will come and go, supervising officers will hold their brief tenure for a few years and be succeeded by others, but the business of fire insurance will continue to be conducted as between the aggregations of capital which have been accumulated to serve a purpose and to do a work in the economic development of this country and the people of the country, who will have the indemnity which they require so long as there remains property value to be insured.

We have seen some interesting examples of the manner in which the fire insurance business

CAN ACCOMMODATE ITSELF TO ARTIFICIAL CONDITIONS.

The first great activity of public supervision of the business was to standardize insurance companies. The States said to the people: "We have examined the companies doing business within our jurisdiction; we certify to their solvency, and we inform you that any company which holds our license may safely be entrusted with your business." It has not been a habit of the people of this country to desire or to be willing to pay for anything beyond safety. Their want is for safe insurance, not for excessively safe insurance, and, therefore, the action of the State in certifying over the seal of government that all companies were safe has gradually taught the great mass of insurers that there was little to choose as between the companies to be selected. The effect of this has been that, as a practical matter, there can be no competition between insurance companies based upon the amount of their assets. While there are exceptions to the rule, notably the case of large property interests, which have educated themselves to know that one company differs from another in the measure of protection which its policy accords, it is nevertheless true to-day that the great body of insurers do not distinguish between insurance companies, but accept with equal complacency the policy of any company which may be handed to the insurer by the agent. The effect of this was to change the character of the insurance business and to establish what is known as the American Agency System. In this manner the customer of the insurance company became the local agent and the object of the company became centered upon securing business, not by appealing to the insurers, but by appealing to the agent who controlled the insurance business, and who was able to place it so long as he had a policy of any licensed company to hand to the insurer whose business he controlled. Had it not been for this governmental standardization of insurance companies, no doubt the appeal to-day would be from the companies direct to the insuring public, and the companies would advertise the stability of their policies as the tradesman advertises his wares instead of confining their advertisements to the insurance journals, which are read by agents, but not by the great number of property owners.

Again, it is by reason of this artificial standardization of insurance companies that the much-discussed practice of conducting business through

UNDERWRITERS' AGENCIES

has developed. We may regard this from various points of view, depending largely upon our divergent interests. We may consider it as bad practice or as a normal and natural development which should be continued. The truth is that the practice is normal if the action of the State in standardizing insurance companies be regarded as legitimate, and it is natural because it is the logical and inevitable result of the action of the State. There comes a time in the development of the fire insurance business when the capacity of the company exceeds the producing ability of its agents. The single agent of a company in his community can produce no greater volume of business, and no appeal of his based upon a claim of any superior advantages of the company which he represents will enable him to increase the number of those in the community who are willing to place their insurance through his agency. The business can be controlled by others, and if the company is to secure it, it must employ the additional agents who control it, and just so long as the State continues to put it in the power of an agent to place his business in any company which has sufficient stability to secure the State's license, so long will the established companies provide themselves with a means to compete for that business, and this insures a continuance of underwriters' agencies or annexes in one form or another.

I am not arguing either for or against underwriters' agencies, but much has been said on the subject which is merely

MENTAL FLUTTERING

about the edges of a large subject, and now that the matter is to have consideration by a responsible committee of insurance commissioners of the country, I suggest, if it is not impertinent to venture the suggestion, that the fundamental inquiry should be whether the existence of present practices are not in direct response to existing economic conditions. If this be true, it may then be advisable for the combined wisdom of those who are charged with the obligation of considering the subject to determine whether the underlying conditions should be changed, and, if so, to devise a means for their correction. But permit me to predict, if I may hazard the prediction, that short of removal of the conditions which create the practice, no power which is available to legislative or administrative officers in this country can do more than divert or change the method of doing business in accordance with its economic demands, and that in one form or another the practices which are now described by the word "annexes" will continue.

I shall take the liberty of directing your attention to

ONE OTHER PHASE OF THIS SUBJECT,

and one which, to my mind, is of sufficient present importance to warrant the serious thought of every man whose business in life is involved with the conduct of fire insurance. Like all other great businesses, that of fire insurance can be successfully conducted only if those who are charged with the responsibilities of the business are capable of looking to the future, of anticipating accurately the course of events which will affect the business and of assisting in the direction of those events or the conformity of business practices to meet the inevitable requirements of changed conditions.

I believe it was at a meeting of this society, held some little time ago, that the Superintendent of Insurance of New York expressed his opinion that the one grave problem of adjustment of relationship between the fire insurance business and the State governments remaining unsettled and actively threatening at the present time was the problem of governmental supervision or control of fire insurance rates. The words of that keen observer of current events were heard by responsive ears, and I doubt if any one would dissent from his view that this question is by far the most serious and pressing one which threatens the fire insurance business. Opinions will differ radically, however, as to the extent of the danger and as to the best manner of treatment of the problem.

Digitized by Google

We should look at the matter calmly and without exaggeration.

THE SUBJECT OF STATE RATE MAKING

or State supervision of the making of fire insurance rates is unquestionably persistent, and arises with increasing frequency throughout the country. It has resulted in direct governmental rate making in a few of the States and in indirect, but none the less effective, governmental rate making in many others. On the other hand, the great majority of States have not as yet undertaken the making of fire insurance rates, either directly or indirectly, and have given no indication of any present intention to raise the issue. This is particularly true of the Eastern States, where there is little, if any, popular demand for governmental action, and the public seems content that the insurance companies should continue to make their own rates without interference. But to say that the conditions generally throughout the country were such that insurance men are warranted in looking with complacency and satisfaction on the situation would be an error. There is a gradually increasing and broadening interest in the subject. It tends all in one direction. It crops out in unexpected places, and while the extent of popular interest in the movement varies considerably, and frequently has little apparent public enthusiasm behind it, nevertheless, regardless of the amount of public demand, the agitation for some measure of State control of rate making, wherever it arises, usually has sufficient momentum to write upon the statute books of the State a law which deprives insurance companies of the freedom which they formerly had in the matter and constitutes at least a substantial step in the direction of State control of fire insurance rates.

THAT THIS PROCESS WILL GO ON PERSISTENTLY

I believe we must expect. It is founded upon the argument that there are two parties to the contract of insurance, the companies on the one hand and the people on the other; that heretofore only one of the parties has had the power and authority to dictate the price of insurance; that it is concededly bad economy to create in the fire insurance business a condition of active and widespread competition as to rates, and that, in default of such competition, there is not adequate protection of the public interests unless the purchasers of insurance are given a voice in the matter of fixing rates, and this can be done only by some measure of governmental control. Such arguments as these are effective to influence the mind of the legislator. We may differ in our idea as to the validity of such arguments or the conclusions which are drawn from them, but we should, I think, have sufficient candor to appreciate that there is at least a certain measure of force in such contentions, and also we should be sufficiently far sighted to realize that such arguments, in all human probability, will prevail generally with the legislatures of this country. In other words, gentlemen, we are steering straight toward State control of rates throughout this country, and the movement in that direction has already gained so great a volume of momentum that it will require the utmost of statesmanship and far-sighted conduct of the fire insurance business in order to teach the people of this country that a completion of their present purpose is not necessary for the protection of the public interests.

I THINK IT IS EXCEEDINGLY GRATIFYING

to observe that most of the men who are charged with the duty of supervising insurance companies are against State rating in any radical or complete form. In the last few months we have heard expressions to this effect from a large number of insurance commissioners, who have presented their views with practical unanimity. But the danger in the situation is that, while their statements have been clearly against State rate making, they have been equally unanimous in support of the proposition that the State governments are entitled to some measure of participation in the making of fire insurance rates. It has been interesting to observe the way in which these views have expressed themselves. Whenever an insurance commissioner who protests that he is unalterably opposed to State rate making undertakes to tell you what kind of a law he would advocate, you find that his proposal involves what may be termed secondary, but none the less effective, State rate making. His suggestion is that the companies should do the work of proposing rates, and that he, under the guise of approval, should then make the rates, and he qualifies this unlimited power only by putting into the statute either a provision for court review, which, as a business matter, would be wholly unworkable and ineffectual, or by providing in the law that the rates which he shall make must be equitable and undiscriminatory.

In such insidious but persistent fashion the

TENDENCY TOWARD STATE CONTROL IS DEVELOPING

throughout the country, and the gravest danger lies in the subtle character of the process of development of the subject. We do not often meet the issue of State rating directly; it develops step by step with an increase of the right of inquiry here and an increase of the extent of supervision and control there, always working toward the end of depriving the companies of the power to make rates which they have held securely in the past, and turning that power completely over to the other party to the contract, namely, the representatives of the insuring public, until the companies are left with no voice whatever as to the price at which they must sell their indemnity.

It is pertinent to inquire what we are going to do about it, and it is pertinent to observe that at the present time we appear to be doing little or nothing about it. There are those who believe that the only thing which should be done is to present the strongest arguments which are available against the deprivation of the right of the companies to make their own rates, and that all compromise with the existing tendency should be scrupulously avoided. If the tendency is ephemeral or if the arguments available to the companies are sufficiently cogent to prevent a continuance of the movement, no doubt this counsel is sound. We have been accustomed in the past to deal with the ignorant notions of ambitious legislators, evolved from bitter antipathy to corporate interests and expressed in ignorance of the underlying principles of the business. Such attacks we have been able to deal with by argument and instruction, and we have had a substantial success in defeating that kind of attempted interference by legislation.

In my judgment, the existing movement toward assumption of the control of rate making is not in that category. The responsible business interests of the country, the people to whom we sell insurance, our own customers, are, in great measure, responsible for the present tendency. They wish to know how their insurance rates are made up and what the relation is between the cost of fire insurance protection and the amount paid for it, and if our customers require this information, it is the business of the companies to provide them with it. The shouting of politicians may be ignored, but the demand of the insuring public must be met. In the interest of the future of the business a means must be devised to satisfy the insuring public that the rates which are being charged for their insurance are fair and reasonable, without permitting the disruption of the business which would result from a general assumption of the rate making power by State officers, who are not and never will be qualified to do the work successfully, and who are not and never will be capable of administering such powers with the necessary continuity of purpose or the essential freedom from distorting political influences. If this view involves a compromise with the present tendency, I am for the compromise.

It is necessary that insurance men should be stirred from their lethargy and animated to an appreciation of the fact that their fight is lost and their power to dictate the price at which they shall sell insurance indemnity is terminated unless they are able to find a means of satisfying the people of the country that insurance rates are just. To meet this a definite and a

CONSTRUCTIVE PROGRAMME SHOULD BE DETERMINED UPON.

The problem should not be regarded as primarily an issue between the fire insurance business and the legislatures of the country, but rather as a question between the companies and their customers, to be solved in the same manner that an ordinary business difficulty is adjusted. It is only as the legislatures follow the insuring public that they need be considered. If an understanding were reached between the insurance companies and the insurers, upon a basis which satisfied the insuring public that rates were made by any instrumentality which successfully adjusts rates to the cost of fire protection, there would be no remaining difficulty as between the legislatures and the insurance companies which could not successfully be dealt with. Let us ascertain what system of rate making our customers require, and when they are satisfied, the legislatures must be. If their demand is that insurance companies should show that they are not making rates too high in the aggregate and thus exacting too great a percentage of profit upon their business, this demand can be met successfully and easily. If the demand is that rates be based upon classification, with the rate upon each class adjusted to its loss ratio, it is entirely possible to meet this requirement, regardless of whatever views may be held as to the value of classification for scientific rate making.

Digitized by Google

THE TREND OF THOUGHT AND ARGUMENT

by fire insurance men in treating this subject has been too involved and too complicated. They have considered it from the point of view of their own complexities of business judgment in accepting or rejecting risks. They have talked of underwriting judgment as the only proper basis for rate making; and they have demonstrated the futility of adjusting rates upon classified experience only. But the reply of the people has been that, however imperfect may be a scientific adjustment, the artistic treatment will no longer be satisfactory.

I am wondering to what extent you will find yourselves in agreement with my view when I express belief that the problem which confronts us, however complicated it may have appeared to be, is, in fact, surprisingly simple, and when I say to you that I believe the public will be satisfied with practically any scale of rates which is based upon the statistics of accumulated experience, just as the public is to-day satisfied with the broad and inaccurate basis of classification upon which life insurance rates are founded. I believe it will be found that the public really demands little, and is, in fact, only insistent that some sort of statistical information and experience shall be forthcoming as an explanation for the amount charged for fire insurance. It is important to learn what the people want. But it is vital that we should also appreciate what the *companies* want; and that is, primarily and fundamentally, rate stability and a satisfied public.

After Mr. Rumsey concluded, President Buswell recognized Cecil F. Shallcross, who gave Mr. Rumsey an eloquent tribute of praise for his address, and the vote of thanks he proposed was most enthusiastically responded to by the audience.

Life Underwriters Association of New York.

The first meeting of the Life Underwriters Association of New York under the administration of President Julian S. Myrick was held at the Hotel Astor on Tuesday evening and was a great success. It was attended by nearly two hundred life underwriters. The topic was the results achieved by the medico-actuarial investigation now being completed and their practical value to the soliciting agent of life insurance.

There were present Arthur Hunter, actuary of the New York Life, and chairman of the committee which is conducting the investigation, and Dr. Oscar H. Rogers, medical director of the same company, who is also prominently connected with the investigation. Their discussion of the subject was limited to thirty minutes each, after which a large number of questions were replied to. The general opinion was that the meeting was one of great benefit to the agents.

Mr. Hunter began with a brief description of the mechanical devices employed to accelerate the work. He told of exhibiting it one day to a company official, and of punching a card so as to indicate that the applicant was afflicted with about all the diseases in the catalogue. The official afterward told him that he tried the card on the pianola to see what tune it would play, and the result was "Nearer, My God, to Thee." Mr. Hunter then took up the results shown with regard to women insurants, which exhibited the following percentages of mortality experience: Spinsters, .80; married women with husband as beneficiary, 1.26; married women with other beneficiary, 1.15; widows and divorced, 1.05. This is direct evidence that companies should be careful about insuring women whose husbands pay the premium and are named as beneficiaries. The New York Life became of the opinion that the unfavorable results were due to the small number of cases, and after allowing their agents to push for an increase of insurance among women, obtained good results. Mr. Hunter referred to self selection as an offset to the company's medical selection, illustrating it with the experience under different forms of policies. Under endowment policies, where the applicant intended to enjoy the benefits, the mortality was 85 per cent. of the expected, while under limited payment and ordinary policies, where greater indifference prevails, the experience was 100 and 120 per cent. of the expected mortality. Mr. Hunter said that following the distribution of the recent list of cases to be rated up his company received a letter from an agent asking for a list of occupations which he might solicit for straight life insurance. He referred to the effect of liquor upon life insurance and expressed his firm personal opinion, as a result of his studies, that alcohol is bad for the human system. Numerous comparative tests were cited to show that alcohol affects both the muscular and mental powers and cited mortality figures to illustrate that applicants addicted to the use of intoxicating liquors produced a much higher than the expected rate. Referring to deaths from accident, he said that no other country exhibited such a spirit of willingness to take chances. He said that one of the very best things that can be done is to impress upon employers and employees the value of accident prevention, as well as the effect of accidents upon business, upon the workmen and upon their families. Mr. Hunter concluded by saying that the investigation may not result in more liberal treatment of agents, but in fairer treatment of the business they submit, and in changes which will be advantageous to the company, agent and policyholder alike.

Dr. Rogers expressed his pleasure at meeting so many field men, and explained that it is the duty of a medical director to accept for membership in his company every applicant whom he may safely accept without disturbing the mortality standards adopted by the company. The ideas of companies differ as to the limits to be established. Some write only up to the limit, while others will go over, accepting sub-standard risks as such. He expressed the belief that one of the results of the investigation will be to extend the limits, and by the elimination of doubt make the privileges of insurance available to many to whom it has been heretofore denied. The investigation has cleared the air with regard to the influence of build upon mortality and has established the importance of overweight. He spoke at length regarding syphilis and its influence on life and pointed out that its effect is never entirely eradicated. The importance of blood pressure examinations was dwelt on at some length.

During the meeting slips for questions were distributed and the inquiries were answered afterward. Mr. Hunter said that the company that did not figure on at least one war per generation was in error. The mortality on brokerage business is so high that at least one company will no longer accept business from brokers. Policies may be kept alive the first five years easier by raising the quality of agents. The effect of tobacco is deleterious in cases of rising blood pressure. Consumption cuts less figure in family history than it formerly did. The objection to telling an applicant the reason for the rejection is that in small communities it causes embarrassment between the applicant and the physician, although such information should be of benefit to the applicant.

A vote was taken on the question of continuing this kind of meeting, and the result was overwhelmingly in favor, indicating that the experiment had been a success. The announcement for the next meeting, when four agents will speak, will be made shortly.

Mr. Lock on Methods of Fire Insurance.

United States Manager Frank Lock, of the Atlas of London, gave an address before the Chicago Fire Insurance Club on Tuesday evening of this week entitled "A Consideration of the Several Methods of the Fire Insurance Business." Mr. Lock took up the various methods of transacting the business, fully explaining each and commenting upon some of them, his purpose being to show where the preponderance of benefit lies as to service to the community. He said that no one method is perfect and that finality has not been reached, the whole question

Digitized by Google

being one of comparison and evolution. Each particular form has arisen to cover some particular need. Of stock insurance Mr. Lock said:

As illustrative of and as indicating the place which at present stock fire insurance occupies in relation to all other methods in the United States, it is estimated that of the amount in force by all systems, namely, about $60,000,000,000, no less than $51,000,000,000 is carried by the stock companies, being 85 per cent. of the whole. This estimate is based on the fact that the stock companies reporting to the New York Insurance Department had $48,840,000,000 in force at the end of 1912, and there are many minor companies not reporting to that State. At the present time in the United States there are about 315 stock fire companies, but the great bulk of the business is carried by less than 100 of these. It is a noteworthy fact that stock fire insurance is the only system which is prepared to carry all property which is properly insurable at a fair price, whether found in the cities or in the unprotected districts of the country. In other words, it is the only universal system. All other systems dabble, pick at and choose tidbits, but it is left for the stock insurance companies to carry the weight of the country. It cannot be questioned that it is to stock fire insurance that banks, financial institutions and the givers of credit generally must look as furnishing the main basis on which credit rests. All other modes sink into insignificance in this respect. For the reasons stated stock fire insurance must be regarded as the standard by which all other methods are weighed and tested. * *

No system of fire insurance can be truly deemed worthy of its name which does not possess these three elements:

(*a*) A paid-up capital or its equivalent.
(*b*) Reserves in hand to cover all known liability.
(*c*) Quick resources of substantial amount beyond these necessities.

When these have been accumulated on a sufficient basis there still remains, under the existing conditions of to-day, an intangible but most valuable asset in the business plants which the better companies have built up over many decades of skilful work and which becomes the foundation upon which capitalists are prepared to advance fresh money when existing funds have been wiped out, as in the case of the Chicago, Boston and San Francisco conflagrations. As to this last most important asset, we must reflect that its value will be diminished to the vanishing point should the several State governments take the regulation of rates out of the hands of the companies, and with it will disappear one of the strongest elements of security to the insuring public.

Considerable attention was devoted to reciprocal underwriters and interinsurers, on which subject Mr. Lock said:

This class of insurance originated when the available supply of reliable stock insurance was inadequate. The essential principle is that each individual trader of the several groups constituting each reciprocal underwriters' association deposits a certain amount as a reserve, and each policyholder in a group becomes an underwriter of every other policyholder for an agreed percentage of the whole or for a fixed sum on each risk. The proceeds of the premium payments above expenses and losses is divided among each in proportion to the deposit made. Should the losses make it necessary, an assessment is levied pro rata to make up any deficiency in the deposit.

It is supposed that there are about 80 inter-insurer groups doing business in the country, there being but few only of them which are of any considerable importance.

The amount in force is not accurately determined, but it is not believed to exceed at the outside $600,000,000. This consists of very carefully selected business, mostly mercantile sprinklered risks, the great bulk of which lies within the centers of large cities, therein essentially differing from the mill mutuals. Two of the largest and best known of the reciprocals have respectively 279 and 300 policies in force, with accumulated assets of over $1,000,000 and $1,500,000 respectively. In this system there are different methods of limiting liability, as, for instance, not more than ten times the amount of the deposit, making, say, a total liability of $20,000 for a subscriber, or not more than such an amount per subscriber liable for any one outbreak of fire, this being to minimize loss in the case of conflagration. With the abundant supply of stock insurance which now prevails, there is really no reason to-day why such a class of insurance should exist, as there is practically enough good stock insurance to carry the business; at the same time, it is proper to recognize that such was not the case when this scheme of insurance originated.

The rates charged by reciprocals are in general the rates made by the stock insurance companies through their rating organizations. This is simple and saves a vast amount of trouble and expense, as the stock insurance companies have to foot the bills of the rate bureaus and the reciprocals are able to point to the saving they make for their customers by having no such charges. The better of them do, however, maintain a good inspection system.

To avoid the difficulty of having to deal with each subscriber in the event of loss or litigation, the method is pursued of appointing a common agent or attorney, who is empowered, within certain limitations, to act for each and all. This method is generally well and honorably observed in the best class of inter-insurers, but the system has been greatly abused in the past by irresponsible parties, so that loss claimants have found themselves practically helpless, having to face individual suits with each subscriber, who, through being perhaps scattered over several States, have been able to wear out the claimants.

Reciprocal underwriters are denied the right to do business in many States, and an attempt is being made to overcome the disadvantage by organizing a stock fire insurance company, the stock in which shall be held by the representatives of the reciprocal underwriters so as to effect legal entrance in all States, thus giving a legal status to all transactions. While this idea has been mooted for some time, it does not yet seem to have assumed much headway. The reciprocal underwriter system has been regulated to a certain extent in some States, and perhaps the measure which you have here in Illinois is about as good as any legislation which can control this class of insurance. The reciprocal system seems viewed with much favor by many of the insurance commissioners as possessing peculiar virtues, which, however, are doubtful in the supreme test.

In a system of insurance such as this the question comes up of reliability. It is claimed, with justice, that so far there has been no case of failure where the individual subscribers have been well selected and the organization has been under competent management. It is fair to point out, however, that no real test has ever come, and it is yet to be proved that the system can give indemnity that is reliable under conditions which may arise. In a period of prolonged business depression and financial stringency, it is not unfair to assume that many subscribers to the reciprocals might find themselves put to the utmost strain to finance their own businesses. Then let there come upon them a conflagration of the first magnitude; the effect of such conflagration would be immediately to accentuate the financial difficulties already existing. It is fair to assume that several risks of the first magnitude might be wiped out in a sweeping fire when those who need the indemnity would be called upon to pay for the losses of others about them. Especially is this important when it is remembered that many firms are subscribers in not one, but several reciprocals. Meanwhile, many of the subscribers outside of the burned area and in other cities, feeling the pressure of a strain already existing, might find the utmost difficulty in providing the large sums that would be necessary to meet their losses. In short, the system has never yet had its test, and while in the past it has answered to a limited extent, there is no proof whatever but that it may prove a bitter experience for many who are relying upon it in the time of great emergency. The disposition to make much of these incidental systems is of doubtful wisdom. They are not capable of general extension. Take an illustration. A navy is supported for an emergency which may never happen. For instance, Great Britain might, upon the history of the last one hundred years, have continued its wooden navy and have been vastly better off by saving enormous outlays for iron and steel ships, but any statesman who would suggest such a policy would be deemed mad. In fire insurance, as in nation insurance, the great point is to be sure of solvency after the supreme test, and not before it. In insurance we are not wise to be guided by what has not happened in the past, but by what are the possibilities in the future. The fact is, the essential idea of fire insurance is to be forearmed by sufficient accumulations as provision for what may become necessary by calamity of the first magnitude, and stock fire insurance is the only system which provides this.

When arguments are being addressed to subscribers in favor of reciprocals, or when harsh criticisms are being directed against the stock fire insurance system, it would do no harm if the subscribers remembered that their business throughout the country depends upon the small wholesalers and retailers, and that the credit of these is founded upon the indemnity furnished them by the stock companies, who have to follow a system capable of general application. If we cultivate little cabbage plots by hand we may get some phenomenal results, but that is not farming, and most of the criticisms directed against the stock companies are based upon just that kind of argument—that because, by a limited selection of the choicest risks, certain results are obtain-

Digitized by Google

able, therefore similar results ought to be universally gained. The argument is preposterous. Yet it must be reiterated that where the conditions admit of it, and people are prepared to meet the standards, the stock companies are able to furnish whatever other systems can at approximately the same cost. The people make the conditions, but the stock companies are fully equipped to show them how.

Mr. Lock also spoke at some length regarding the State insurance propaganda, saying in part:

The idea that the State should take up the insurance of the property of all its citizens ought only to be advanced to become at once self-evident that it is impracticable. From the first moment, and always, there would be felt the impending possibility of disaster. Taxation might be levied to accumulate a fund, but no State would consent to accumulate five hundred million dollars against a conflagration which might never happen, and yet that amount might be needed in Chicago or New York any day! If, on the other hand, reliance should be placed upon bonds or loans to be raised *after* the fire, what kind of a market would even the Empire State find, should it ask for such a sum to make good such a loss. It should be remembered that should the credit of the State be invoked to repair conflagration loss, that credit would have to be exercised at the very time when the accumulation of loss had staggered its credit in the financial world. The rate of interest would be absolutely prohibitive, and a majority of the States in this Union could be bankrupted by a possible fire that could occur in the State. Take, as a mild instance, Baltimore in 1904. The State of Maryland would have needed to raise $40,000.000, which, at 5 per cent. interest, would be an annual charge of $2,000.000 upon that State. Or take California in 1906; the State would have needed to raise over $200.000.000, with an annual interest charge of, say, $10,000.000, and in both cases there would be further need of a sinking fund to extinguish the principal, while in both cases no sooner would the liability be discharged than it would immediately recur for a similar need. The sudden impact of a blow like that to San Francisco in 1906 would prove worse to a State than a condition of war, as war at least gives some notice and admits of some preparation.

Furthermore, it is obvious that all States which had such a shadow hanging over them would suffer impaired credit, whether a fire occurred or not, as no investors would seriously consider investment except at prohibitive rates of interest, where there was resting over the State an unknown danger of swift occurrence running to hundreds of millions of dollars. It seems clear that the system of stock fire insurance, by which the resources of the whole world are brought to bear at the appropriate point and moment, even as sprinkler heads are brought to bear automatically over an outbreak of fire, is the one and only system which has been demonstrated as worthy of the name, and is capable of filling all the functions.

SUMMARY AND DEDUCTIONS

Seeking to draw deductions of value from the facts and considerations which have been presented, a brief summary is attempted.

First, it is well to restate that no system of fire insurance can be deemed truly worthy of the name which does not comprise:

(*a*) A paid-up capital or its equivalent.

(*b*) Reserves in hand to cover all known liability.

(*c*) Quick resources of substantial amount beyond those necessities.

It has been shown that stock fire insurance companies stand for the great bulk of the business transacted; that is to say, they have in force about $51.000.000.000 in the United States, or approximately 85 per cent. of all the insurance carried, and over 90 per cent. of the premiums.

The vast and intricate machinery maintained by the stock companies furnishes the basis not only for their operations, but also for that upon which the practice of all other methods is mainly established. In other words, if the stock companies did not maintain such machinery, most of the mutuals, reciprocals and Lloyds would have themselves to furnish some substitute or do their business blindly at a heavily increased cost.

The stock companies alone, through their accumulated capital and reserves, furnish the substantial basis for the great emergencies which are always possible. In addition to this, it is the stock companies only which have, in their thousands of agencies and their associations, plants so valuable that should their reserves be in large measure wiped out, capitalists are prepared to renew capital based upon such a substantial asset. As illustrating the force of the point made, it may be stated that the paid-in capital of the stock companies has been replaced *in toto* three times since 1871. This would have been a sheer impossibility had there not existed the intangible asset of the plant which has been before referred to.

Wherever the State or individuals are working to deprive stock insurance of all attractiveness for capital, they are working most surely to undermine one of the essential factors which maintains the fabric of the business world. It is obvious that the State, in depriving the companies of the power to make rates, and in indicating upon what terms they shall do business, while it may leave to existing companies a struggling existence, utterly puts it out of their power to recuperate from a sudden disaster. This point as to conflagration hazard is an important one. In fact, it is recognized to be so important that reciprocals, mutuals and co-operatives generally lay the heaviest stress in their advertisements on the fact that they are free or safeguarded from such a hazard. As before stated, some one must carry this burden, and if it is the stock insurance companies which throw the big battalions on the firing line of the battle and hold the heavy reserve forces, it is but common justice that those prepared to hazard hard cash should not be discriminated against by the business interests of the country or in the laws and taxes.

Furthermore, the comparatively favorable methods shown by those who only skirmish, and who fight always with the idea of self-protection in view, should not be constantly held up to legislators and to the insuring public as though results thus secured could be made of universal application when we all know very well that they cannot. The insurance business is one of assuming hazards and responsibilities. Stock insurance companies are not afraid to take hazards which involve them individually for millions of dollars of loss. There is an element of unfairness that those who skim off business from the surface, and where most of the features of hazard have been eliminated, should be held up to favor, when as a matter of fact if there be anything but a cold business problem involved the sense of favor should come to those who stand under the weight of hazard of the country.

The strong point with the stock companies as against all other methods is that the latter are handicapped in the main by dependence on collections to be made *after* fires instead of accumulations prior to the calamity, that is an immense point; and further, they cannot cope with the conflagration hazard.

From all these considerations it must be deemed proved that the stock system stands for reliability and universal service. It has not heretofore been successfully displaced as a system, nor is it likely to be so long as stock companies prove adaptable to time mutations.

But when all has been thus said, it still remains true that the stock insurance companies may have to radically change their methods to adapt themselves to modern conditions. There is no reasonable defense of a 40 per cent. expense ratio until it can be shown absolutely that it is inevitable, and this has not been shown. The two great questions confronting the stock insurance companies at the present time are:

(*a*) A revolutionizing and standardizing of its rate making methods, to place the same upon a consistent basis, and

(*b*) A revision of its cost.

Rate making should revert all over the country directly into the hands of and under the control of the managing underwriters. In its foundation principles of system, schedules and charges it should come away from local agents, from field men, from rating experts or bureaus who have no touch with, or responsibility for, underwriting results. The probability is that rate making would not be in its present chaotic condition had the companies realized, say twenty years ago, the drift of things, and it may not yet be too late for recovery in this respect. It should be evident that this prime question, which lies at the root of the whole business, should be in the hands of those who are responsible for results, and who have in their possession accumulated material, as well as the judgment and knowledge upon which to make rates equitable and according to standard.

The swelling tide of competition from the various methods discussed indicate the possibility that the companies may have to change their ways in many respects; they will have to contend to hold a material volume of business which is drifting from them, for it becomes evident that if everything that is worth while in the business is picked over and sorted out by mutuals, reciprocals or Lloyds, if the "pay dirt" is to have a preliminary sifting for the nuggets before the mass reaches the stamping mills, the business will not be worth doing and capital will go out of it. The time has come when methods will have to change. It is for the stock companies to work out that method which shall not only hold the ground already possessed, but which may recover in some measure ground which originally was lost when the stock companies themselves were financially unable to carry the business of the country, which is not now the case.

Digitized by Google

It might be noted in closing that it is chiefly in this country these problems exist, and this is probably due to the fact that in this country are greater value concentrations than in any other, combined with the maximum of hazard. The hazards are being reduced, the financial power of the companies is being increased, and it remains for the stock companies to furnish to the public a demonstration that they are prepared to give them virtually all they can get from any other system, and much more, even if it be in some cases at slightly enhanced cost, and to make their claim for support on these broad grounds.

Thus a calm review of the whole situation should steady our nerve with the conviction that the strength of the position lies with the method of stock fire insurance, so that those embarked in its conduct as their life work need have no reasonable fear as to its continued stability and success.

Insurance Legislation.

Kentucky.

FRANKFORT, March 25.—The following is a summary of the bills passed by the recent legislatures. When not otherwise indicated the bills are before the governor for his approval, and lacking any action on his part will become law on March 28.

SENATE BILLS

Senate Bill 11 (Knight), creating State insurance fund and providing for workmen's compensation for death or injury. Signed by the governor.

Senate Bill 345 (Cobern), to permit employment of extra examiner by insurance commissioner. Signed by the governor.

Senate Bill 358 (Knight), increasing allowance for clerk hire in insurance commissioner's office from $5,000 to $9 800 annually. Signed by the governor.

Senate Bill 179 (Scott), enlarging powers of State fire marshal. Signed by the governor.

Senate Bill 121 (Scott), authorizing co-operative life and casualty insurance companies to amend by-laws. Signed by the governor.

HOUSE BILLS

House Bill 275 (Greene), enlarging powers of State insurance rating board in making fire insurance rates. Signed by the governor.

House Bill 444 (Hamilton), amending law relating to reinsurance in unauthorized companies. Signed by the governor.

Maryland.

ANNAPOLIS, March 25.—It was expected that the Hammond workmen's compensation bill, Senate Bill 106 (see Bulletin 2162), will be passed this week in the Senate. It has been amended so as to resemble its original form only slightly. An identical measure will be favorably reported in the House. A fight for his own bill will be made by Representative McQuade, and should he succeed in the House, it is likely that no compensation bill will become law.

Bills introduced:

House Bill 635 (McIntosh), extending the restrictions of the act taxing premiums of unauthorized insurance at 5 per cent. to firms, associations and corporations obtaining such insurance. The act previously applied only to individuals.

House Bill 674 (McIntosh), relating to contracts of surety between railroads and their employees.

Senate Bill 295, relating to the publication of annual statements, has been reported favorably by the Senate insurance committee.

House Bill 253, the compulsory investment bill, has been killed by the House.

Massachusetts.

BOSTON, March 25.—The adverse report of the House insurance committee on House Bill 1772, prescribing methods of paying losses, was accepted by the House after debate and a tie vote on the substitute.

The House insurance committee has reported "leave to withdraw" on House Bill 626, relating to the separation of investments from insurance business.

House Bill 2320, for the licensing of adjusters, which had passed the House, was strongly opposed in the Senate on Tuesday, and was unanimously rejected.

All the measures relating to reciprocal underwriters and interinsurers have been put over until next Monday. There are numerous adverse reports on these measures, and Insurance Commissioner Hardison opposes any legislation.

Mississippi.

JACKSON, March 25.—House Bill 499, the compulsory investment bill, was practically killed on Friday when a motion to indefinitely postpone prevailed by a vote of 77 to 25.

Senate Bill 316, relating to liability loss reserves, has been passed by the Senate.

Under a resolution adopted several days ago, the legislature will adjourn on March 28.

New Jersey.

TRENTON, March 25.—The committee substitute for House Bill 581, which provides a scheme for licensing agents and brokers, is entirely different from the original bill. It is believed that the discrepancy is accounted for by the fact that March 4, the day the original was introduced, was the last day for the introduction of new bills, and that it was designed only to make way for the real bill to follow later as a substitute.

The House has passed Senate Bill 150, relating to funeral benefit associations; House Bill 714, to prohibit charging industrial agents with lapses, and House Bill 581, relating to the licensing of agents and brokers.

The Senate has passed Senate Bill 172, to exempt domestic servants and farm laborers from the provisions of the employers' liability law; House Bill 343, to provide a waiver of premiums clause for life policies, and House Bill 468, permitting live stock insurance companies to begin business when a certain percentage of their capital has been paid in. The Senate bills to prohibit misrepresentation and to limit reinsurances, and the House bill to increase the powers of the State fire marshal, have been reported favorably.

The legislature has adjourned until next Monday night. Senate Bill 247, relating to the removal of cases from State to Federal courts, has passed the Senate and is ready for the House. Governor Fielder has signed House Bill 343, to permit the insertion of premium waiver clause in life insurance policies. Senate Bill 211, to require the reporting of reinsurance premiums, has passed the Senate and has been advanced through second reading in the House. The House passed House Bill 594, relative to medical services for the first two weeks of injury.

New York.

ALBANY, March 25.—Senate Bill 1196, relating to fraternals, has been passed by the Senate.

The House has passed House Bill 1744, relative to certificates of authority for fraternal corporations. Under an emergency message from the governor the Senate passed a bill by Mr. Foley to amend the workmen's compensation law so as to bring under its provisions all State and municipal employees. The legislature will adjourn without danger of an extra session, as the committee has restored the funds necessary for the maintenance of

Digitized by Google

the State fire marshal department to the general appropriation bill.

Rhode Island.

PROVIDENCE, March 25.—Senate Bill 96, relating to fraternal benefit societies, has passed the Senate.

House Bill 190, relating to fraternals, has been reported favorably in the House.

Virginia.

RICHMOND, March 25.—The following completes the summary of insurance legislation by the late legislature:

SENATE BILLS

Senate Bill 25, relating to how bonds, notes and other evidences of debt secured by deed of trust, etc., in the State shall be taxed. Passed by indefinitely in finance committee.

Senate Bill 27, to provide for segregation of the tax upon money on deposit, and to make it liable to taxation by the State alone. Passed by indefinitely in finance committee.

Senate Bill 104, regulating contracts of sureties between common carriers and their employees, and sureties upon such contracts. Passed by indefinitely in committee on courts of justice.

Senate Bill 143, regulating contracts of sureties, and similar to Senate Bill 104. Passed both Houses.

Senate Bill 186, relating to liability of common carriers, engaged in intrastate commerce, for injuries to, or death of, their employees, and to provide for the pleading thereof. Reported from committee with amendments, but no further action taken.

Senate Bill 217, requiring juries to pass upon all questions concerning the liability of employers for injuries or death sustained by their employees. Passed by indefinitely in committee on courts of justice.

Senate Bill 339, State insurance for public buildings. Passed by indefinitely in committee on insurance and banking.

HOUSE BILLS

House Bill —— (Rolston), State insurance for public buildings. Passed by indefinitely in committee on insurance and banking.

House Bill —— (Pitts), relating to taxation of evidence of debt. Referred to a subcommittee and never voted on.

House Bill —— (Taylor, Grant and Lewis), regulating contracts of surety between common carriers and their employees, and sureties upon such contracts. Reported in House, but never voted on in Senate.

House Bill —— (White), same as Senate Bill 143. Passed both Houses.

House Bill —— (Chalkley and Oliver), deposit of surety bonds by insurance companies. Same as Senate Bill 251. Passed House, but was never voted on in Senate.

House Bill 318, requiring contributory negligence to be set forth in a bill of particulars when relied upon as a defense. Reported, but not passed.

Dektographs.

By Jerk.

Letters, some complimentary and some otherwise, continue to pour in on Delegate Snowden, of Montgomery, Md., who introduced the famous bill to prohibit women from wearing high-heeled shoes and split dresses, and also barring dancing of the tango and many other of the modern steps. The latest letter is short. It is in the handwriting of a woman, and reads: "Here's to the V neck and the split skirt; may they never meet."

Bubbs—"Well, how are your New Year's resolutions wearing?"
Dubbs—"Fine! Had one little puncture, but nothing like a regular blowout!"

Little Louis was a solemn-eyed, spiritual-looking child. One morning he came to his aunt, who was visiting the family, and asked:

"Auntie, is this God's day?"

"No, dearie," replied the aunt; "this is not Sunday. It is Wednesday."

"I m so sorry," said the boy sadly, as he went back to his play.

Each succeeding day he asked the same question of the aunt in his serious manner, and she said to his mother:

"Really, I don't think that child will live long. He is too good for this world."

When Sunday morning came the question was repeated, and the aunt replied:

"Yes, my darling; this is God's day."

"Oh, goodie!" cried the boy. "Then where is the funny paper?"

A Mississippi legislator named Jones has introduced "House Bill No. 686—An act to prevent any woman of whatever age, rank, profession or degree, whether virgins, maids, suffragists or widows, from seducing or betraying into matrimony any member of this legislature, or any male subject younger than themselves, whether they be married, single or bachelors, by low neck, short sleeves or X-ray skirts, or by paints, scents, cosmetics, washes, artificial teeth, false hair, Spanish wool, iron stays, hoops, high-heel shoes or bolstered hips, or otherwise."

One day Mark Twain went to see a friend at his office, and the office boy on guard inquired in icy tones:

"Whom do you wish to see?"

Mark mentioned his friend's name.

"What do you want to see him about?" came next from the boy.

Mark Twain immediately froze up, and then, with a genial smile, he said:

"Tell him, please, I want to ask his hand in holy matrimony."

Man's Little Day.

First thing a fellow knows at morn
He's born;
Then, say at ten o'clock, the next
He's vexed
By readin', 'ritin', 'rithmetic,
Till sick.
At noon he has to go to work,
Or shirk.
Then, 'round 'bout two, he takes "for life"
A wife.
From two till time to bring in lights
He fights
And struggles with his fellow-men,
And then
He sits around a while and thinks,
And blinks,
And when at last it's time for bed,
He's dead.

—*W. W. Whitelock.*

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President

The Manhattan Life Insurance Co.

66 Broadway, New York

Digitized by Google

OUR direct contract system places the Company in absolute touch with the individual agent, consequently merit is recognized. Several good openings are available for men who have had experience in handling men and developing territory. Are you interested?

Pittsburgh Life & Trust Co.

Home Office, Pittsburgh, Pa.

W. C. BALDWIN, President — HOWARD S. SUTPHEN, Director of Agencies

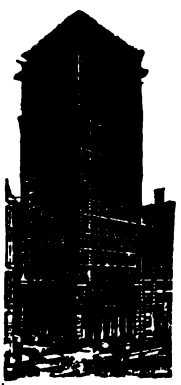
Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

ALL KINDS OF Illinois Surety Bonds

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere



Company's Office Building.

Prevent Losses

by using our special short form bond, which guarantees absolute protection against dishonesty, either directly or through connivance with others.

This bond is issued in Individual or Schedule Form and covers Officers, Employees and Field Force. Write for a copy and our Special Proposition for Insurance Companies.

American Surety Company
OF NEW YORK

Home Office: 100 Broadway, New York

The Largest Surety Company in the World

Branch Offices at Larger Cities: Over 11,000 Agencies Elsewhere

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Postpaid **$4.00**

By EVERETT U. CROSBY and HENRY A. FISKE

A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10

By A. M. SCHOEN

Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10

By W. D. MATTHEWS

What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00

By WILLIAM ARTHUR

This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company
Incorporated

P. O. Box 617 — LOUISVILLE, KY.

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

QUEEN

Ins. Co. of America.

NEW YORK.

Fidelity-Phenix Fire Insurance Company

OF NEW YORK

The assured places the responsibility on the agent;
a Fidelity-Phenix policy relieves him of it.

HENRY EVANS, President

Home Office
80 Maiden Lane, New York

Western Office
137 South La Salle Street, Chicago

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

"WHAT THE EQUITABLE OFFERS"

What the Equitable Offers is the title of a booklet listing in detail the many attractions and advantages of Equitable policy contracts.

While intended for the prospective insurer, it will interest any insurance salesman who is curious to know why Equitable policies sell readily, renew steadfastly and meet every conceivable need of all classes of insurers. A copy will be sent to any address on request.

The Equitable Life Assurance Society
of the United States
165 Broadway, New York
W. A. DAY, President

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$5,000,000.00
Cash Assets	22,481,250.34
Total Liabilities	10,571,860.45
Net Surplus	6,909,389.89
Surplus for Policyholders	11,909,389.89
Losses Paid in 95 Years	138,501,348.36

WM. B. CLARK, President.
Vice Presidents:
HENRY E. REES, A. N. WILLIAMS,
E. J. SLOAN, Secretary.
E. S. ALLEN, GUY E. BEARDSLEY; RALPH B. IVES, } Assistant Secretaries
W. F. WHITTELSEY, JR., Marine Secretary.

WESTERN BRANCH, 175 W. Jackson Boulevard, Chicago, Ill.
THOS. E. GALLAGHER, Gen'l Agt.
L. O. KOHTZ, Asst. Gen'l Agt. and Marine Gen'l Agt.

PACIFIC BRANCH, 301 California St., San Francisco, Cal.
WM. H. BREEDING, Gen'l Agent.
E. S. LIVINGSTON, Asst. Gen'l Agent.

MARINE DEPARTMENT:
CHICAGO, 175 W. Jackson Boulevard. NEW YORK, 63-65 Beaver St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.
SAN FRANCISCO: 301 California Street

NOW IN PREPARATION

THE RECORD OF

FIRE INSURANCE BY STATES

The Standard Authority on Fire Insurance Results, Classified by States

The information contained in this record is classified by States for each and every company, and includes:

Risks written . . . . 1880 to 1912 inclusive, and 1913.
Premiums received . 1880 to 1912 inclusive, and 1913.
Losses paid . . . . . 1880 to 1912 inclusive, and 1913.
Losses incurred in 1913.
Loss Ratio for 34 years and for 1913.
Average rate of premiums in each State.
Average loss ratio for each State for 34 years.
Year each company entered each State, and number of years each company has transacted business therein.

PRICE, $15.00 Per Copy *SOLD ON ADVANCE SUBSCRIPTION ONLY* **ORDER NOW**

SAMPLE PAGES ON REQUEST

THE WEEKLY UNDERWRITER 80 MAIDEN LANE NEW YORK, N. Y.

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1869.

VOL. XC. NEW YORK, SATURDAY, APRIL 4, 1914. No. 14.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

WORKMEN'S compensation will shortly be in real operation in New York State, and it is pertinent to discuss how it shall best be made a stable and assured function. Four methods are provided under the law, and each has its advocates. A writer has decried the mutual plan, and another has replied to his criticism. Both are published in this issue, and each is worthy of careful reading. The subject is a live one, and it is important that the best thought shall be given to it.

ONE of the most significant and acceptable statements appearing in the annual life insurance report of the New York Department, published this week, is that concerning the increase in business last year in the State of New York alone. The forty-seven regular companies—domestic and other States—which reported to the Department wrote $163,000,000 more insurance in the State in 1913 than in 1912. The former was not a good business year in a general sense, and if there had been a falling off in amount of insurance written it would have seemed a natural consequence. That the efforts of the producers resulted in large improvement go to show the great onward progress of the institution, and gives cheering encouragement that still greater growth will attend the coming years. The life insurance in force in the State of New York at the close of 1913 of the companies included in this statement aggregated $3,000,000,000. In other words, the companies owed their New York policyholders an amount equal to the national debt. When the business of the whole country is considered, the story expands. The policies of the 250 legal reserve companies represented $20,000,000,000, and of fraternal orders and assessment associations $10,000,000,000. A summary of the report of the New York State Insurance Department appears on another page.

THE retirement of Mr. Emmet from the headship of the New York State Insurance Department is the occasion for general regret, for he has possessed, while in office, the complete confidence of the public and the representatives of the business over which he has been the State supervisor. Probably no citizen of New York is better adapted by intelligence, industry and conscientiousness to fill the office he has held; and with these qualities, his conservative treatment of the problems with which he has had to deal has been conspicuous. The insurance business has been fortunate in the official oversight in the past five years of Mr. Emmet and his predecessor, Mr. Hotchkiss. Now comes Judge Hasbrouck—whose portrait and biography we publish—to succeed them as Superintendent of Insurance. The outlook is certainly promising. While his relations with the insurances business hitherto have only been in connection with litigation, his prominence in other walks of life give assurance of capacity for the new position which he has just entered. There is no question as to his own ability, but he will lose nothing as an administrator in following in the official footsteps of those who have immediately preceded him. To this end, he will be greatly assisted by the trained familiarity with the duties of the Insurance Department of Messrs. Appleton and Hoey, the deputy superintendents, whom, of course, he will be disposed to retain.

THERE were as many as twenty-eight bills affecting insurance, in one form and another, in the New York State legislature during the session just closed, but none of first importance were able to pass the ordeal of a busy body, dominated by factional politics, successfully. Perhaps the fire insurance bill of the most moment before the legislature was that providing for a new standard policy, but it was introduced late in the session and did not receive any consideration whatever. It will undoubtedly have attention next year. Other bills of interest to fire underwriters which failed were those extending the privileges of reinsurance companies and stipulating that home companies may own capital stock of other companies engaged in the same line of business. The attempts, purely factional, to limit the jurisdiction of the State Fire Marshal's office and to destroy it altogether came to nothing, although the failure to name an appropriation for the maintenance of the office creates a need for an extra session of the legislature, which is to be held in June. As to life insurance, the bills further regulating industrial surrender values and paid-up insurance, and limiting group insurance among fraternal orders, did not pass. Another bill, which concerned all classes of companies and provided that the State Insurance Department should bear the expense of official examinations, was killed by official influence. The successful insurance legislation of the session covered the authorization of automobile owners to form mutual insurance associations, provision for the incorporation of life, health and casualty companies to insure against loss or damage to elevators and other property, except by fire; the management by the insurance superintendent of the licenses of agents and fire insurance ad-

Digitized by Google

justers, and the regulation of expenditures of companies having less than $80,000,000 of insurance in force. The workmen's compensation law, enacted at the previous meeting of the legislature, was amended slightly and repassed. The establishment of a system of workmen's compensation in New York will date from this year's session; but otherwise the legislature of 1914 will not go down in legislative history as epochal in any way for insurance.

If the fire insurance companies do not submit to the anti-insurance law and resume business in Kentucky, it is the opinion—so he says—of Mr. Ruby Laffoon, chairman of the State Insurance Board, that Kentucky will go into the fire insurance business itself. First, the withdrawn companies will be fined and officially examined and exposed, and then they will be excluded from the State altogether and forever, and State insurance will reign instead. Such will be the penalty for refusing to transact business at a loss. What the citizens of the State will be doing for fire insurance protection while the State scheme is being devised, constructed and put in operation—a matter of at least a year, and probably longer—Mr. Laffoon does not say; but we presume it matters not if business goes to the dogs and Louisville has a two hundred million dollars' conflagration without insurance in the meantime, so long as "the greediest and most autocratic horde of corporations on earth," in the language of Mr. Laffoon, are prevented from making faces at "the proudest people on earth"—the Kentuckians. It is difficult to believe that the people to whom Mr. Laffoon alludes are so devoid of ordinary common sense as to be influenced by statements such as these. And, indeed, the business men who assembled, on the invitation of Mr. Laffoon, at Louisville on March 24 to listen to him did not—according to the published newspaper reports—applaud his utterances; but, on the contrary, they laughed at him. It was obvious that he was putting up a bluff, and equally so that he will offer concessions if the companies will treat with him. But they have the business interests and their own local agency force with them, and have but to stand firm to beat the foolish demagogues who have brought Kentucky to this pass. The following, from a local business paper, may serve to illustrate the feeling regarding the Greene-Glenn insurance law outside political circles in the Blue Grass State:

Already Paducah's business interests are feeling the effects of the withdrawal of foreign fire insurance companies which have been leaving the State since the legislature passed and the Governor signed the Greene-Glenn insurance bill. The threats of four companies to cancel all policies existing in the State, is regarded seriously here owing to the enormous amount of property which these companies protect. The cancellation of policies held by this company on property in Kentucky would mean that more than $25,000,000 worth of property in the State would be without protection from fire.—*Paducah Sun.*

Fire Insurance.

The Kentucky situation awaits the result of a conference to be held in Louisville on April 8, when C. J. Doyle will be present to represent the companies. On account of the meeting of the Western Union in Philadelphia on that date none of the company managers could attend. The Kentucky Association of Local Fire Insurance Agents is meeting in special session as this paper goes to press to discuss the new rating law, and it is expected that resolutions will be adopted condemning the law.

Simplicity in fire insurance finds its acme in Bermuda. There is no insurance department and only one local fire insurance company, the Bermuda Fire and Marine Insurance Company, Ltd., of which Mr. Henry S. Eve is the manager. In a recent interview Mr. Eve informs us that schedule rating in Bermuda is reduced to its lowest terms, by reason of the fact that there are but two kinds of construction, stone and wood, consequently there are but two rates. The chief factor in Bermuda underwriting is the moral hazard, in which the local company has the advantage of being thoroughly acquainted on the entire island, whereas representatives of foreign companies engaging in other pursuits than insurance do not have the same opportunity to become thoroughly conversant with the financial standing of their clients. With the exception of the winter resort hotels and the few minor buildings, all of the houses are built from limestone blocks, cut out of hillside quarries. A man buys a lot, and with the coral rock taken from the excavation for his cellar he builds his house. The roof is made of coral slabs, whitewashed, and the rain water falling thereon is taken to a reservoir or cistern and used for drinking and all other purposes, including fire fighting when necessary. Mr. Eve states, however, that with the exception of the fires occurring in Hamilton, little attempt is made to extinguish a dwelling-house fire. Usually after effecting as much salvage as possible, the fire is allowed to burn through the roof rafters of cedar, whereupon the roof itself, consisting of heavy coral slabs, falls in upon the fire and extinguishes it. While the shingle roof is not in evidence on the island, the corrugated iron roof was denounced by Mr. Eve as poor construction, in that it did not fall in upon the fire, but rather curled up and created an open chimney for the burning building. The Bermuda fire department consists of one hand engine and one steamer (650 gallons a minute capacity). The department is volunteer, but in case of a severe fire the military is always within call. In fighting fires in Hamilton the water supply is secured from the bay. Where there is not sufficient hose to reach the bay, the reservoirs before mentioned are called into use. Although oil and acetylene are extensively used for lighting purposes, fires are very rare, but when they do occur are nearly always a total loss. No policy is written for a longer time than one year, and the prevailing rate is .375 per £100 ($480).

In a recent address on the subject of fire prevention before the City Club, President Robert D. Kohn of the National Fire Protection Association discussed the **importance of constructive fire prevention work.** He said that there is a science of fire protection and pointed out the progress made by the Underwriters' Laboratories at Chicago in examining and testing fire-prevention devices. He showed that the need for this work is caused by the continued and continual construction of buildings dangerous to life and surrounding property, due mainly to ignorance and a desire to lessen expenditure for factories and other buildings. Regarding fire protection as a study, he said:

The study of fire protection is a study of hazards. One of our committee has recently divided these hazards under six headings: The first, the hazard of exposures. It does not suffice that a man keep his own house in order, build his building with all modern devices, but he must protect himself against his neighbors. In certain parts of Europe an owner is financially responsible for damage done to his neighbor's property by a fire that originates in his own house. Had we laws of that character established here, perhaps we would be more careful. As it is the hazards of exposure are to be fought off by exterior walls, roofs, windows, glass, etc., that will resist danger from flame coming from the outside. In the second place: We have the hazard due to the construction of the building—the more or less inflammable nature of the materials and workmanship. In the third place: The hazard of height and area—a hazard decreased by the subdivision of areas by fire stops, fire walls, enclosures and subdivisions. As far as height is concerned, we all realize that a building above six stories is dependent on its own apparatus for the suppression of a fire. In the fourth place, there is the hazard due to the greater or less efficiency of

Digitized by Google

the fire fighting equipment of the building, fire hose, extinguishers, sprinklers, etc., etc. Fifthly, there is the hazard due to the occupancy of a structure, the machinery, the character of the contents, whether they be combustible, whether explosive or of an inflammable nature, and whether or not the place is kept clean and in order; the housekeeping hazard in other words—one of the most important of all—what is called the "moral hazard" is a part of this. And finally, we have the effect upon the hazard of the character of public fire protection afforded by the city or community.

The Insurance Society of New York announces the following **additions to its library** during March:

Universal Analytic Schedule. 1914. Carl M. Hansen, compiler.
Oklahoma Insurance Report. 1913. Fire, life, etc.
WEEKLY UNDERWRITER. Vol. 89, July-Dec., 1913.
Metal Mine Accidents in United States during 1912. Bureau of Mines.
Detroit Conference. Proceedings of 30th session, 1913.
Cyclopedia of Insurance. Life and Miscellaneous. 1911-1913.
Standard Fire Insurance Tables. 1914.
The Fire Insurance Contract. T. H. Williams. 1913.
Adjustments—W. H. Lowden & William Sexton. 1910.
Inspections. Frederick C. Moore. 1914.
Some Evolutionary Developments of Life Insurance. George W. Johnston. 1914.
Chartered Insurance Institute of Great Britain. Journal. 1913.
Fire Underwriters Association of Northwest. Proceedings. 1913.
American Underwriter. Vols. 39-40. Jan.-Dec., 1913.
State Fire Marshal of Iowa. Annual report. 1913.
Boston Protective Department. Annual report. 1913.
Valuation and Readjustment of Assessment Companies and Fraternal Societies—Lewis Albert Anderson. 1913.
Insurance Institute of Manchester. Report. 1912-1913.
Workmen's Compensation. Report upon operation of State laws. Investigation by commission of American Federation of Labor and National Civic Federation. 1914.
Bureau of Buildings, Borough of Manhattan. Bulletins January 1, 1910-October 31, 1913.

The Pennsylvania fire insurance companies **have reached an agreement** with the Indiana Insurance Department with regard to a claim made under the reciprocal laws of Indiana. The Pennsylvania companies had been reporting their taxes on the Indiana basis of 3 per cent. of the gross premium after deducting losses, reinsurance and return premiums. In Pennsylvania the Indiana companies are taxed 2 per cent. on the gross premiums without any deductions, and under the reciprocal law the claim was made on the Pennsylvania basis. The suit was begun against the Insurance Company of North America, which has the largest business of the Pennsylvania companies in Indiana, asking for $17,300 back taxes from 1889 to 1911, inclusive. A compromise was effected by which reinsurance and return premiums deducted, the tax of 2 per cent. being imposed on 70 per cent. of the balance. The other Pennsylvania companies are to be allowed to settle on the same basis. Under this arrangement the North America pays $4,200 and the other companies together will pay about $7,000. Thomas Bates represented the companies.

The **famous litigation** connected with the insurance loss on the Hotel Ampersand, which burned in September, 1907, at Lower Saranac Lake, N. Y., has been finally **disposed of** by a decision of the Court of Appeals announced on Tuesday of this week. The court affirms the judgment of the lower court, which was in favor of the hotel company and against the insurance company. The insurance involved aggregated about $100,000, and the companies refused payment on the ground that the policies had been voided by an increase in the moral hazard, due to an alleged conspiracy to burn the property. It was brought out in the evidence that before any illegal fire had been consummated the building burned by accident. The position taken by the lower court was favorable to the plaintiff, and this opinion prevailed through the upper courts. William B. Ellison was counsel for the hotel company throughout the litigation.

(*Continued on page 276.*)

NEW YORK INSURANCE DEPARTMENT HEAD.

New Insurance Official Assumes Charge This Week—His Personal History and Qualifications.

The Hon. Frank Hasbrouck, who was appointed to be Superintendent of Insurance of New York State by Governor Glynn last Friday after this paper went to press, assumed charge of the Insurance Department on Thursday of this week. Superintendent Hasbrouck has been a lawyer at Poughkeepsie since his graduation from Harvard with the class of 1872, and he has

HON. FRANK HASBROUCK.

served that city successively as city treasurer, postmaster and corporation counsel. For the past six years he has been county judge of Dutchess County. His insurance experience has been limited to his general law practice, but he was counsel for the old Dutchess Fire during all of its recent litigation, and it was a coincidence that the conclusion of this litigation came before Judge Morschauser at Poughkeepsie on last Saturday, a few hours after he had received notice of the appointment.

The new head of the insurance department is of Dutch ancestry, and he has been vice-president and president and is now a trustee of the Holland Society of New York. In 1888 he was one of a party from this society to tour Holland and France. He is prominent in social, literary and musical circles at Poughkeepsie, and also as a Democrat in Dutchess County. His agreeable personal disposition and his wide judicial experience will undoubtedly result in the administration of the affairs of the department with fairness to all concerned.

Digitized by Google

(*Continued from page 275*)

A statement has been made by Insurance Commissioner I. Will Taylor of Tennessee **denying the reports** that he is contemplating such legislation for Tennessee as has lately been adopted in Kentucky. Mr. Taylor says:

My attention has been called to certain press dispatches to the effect that the authors of the Greene-Glenn rating law of Kentucky have stated that the Insurance Commissioner of Tennessee has requested a copy of the Greene-Glenn act, etc. I desire to say that I have not requested a copy of the Greene-Glenn act and have not even considered doing so. Any report to the contrary is unfounded. If I should favor rate legislation I should want it to be reasonable, conservative and fair to both the company and the property owner. As a rule, rates in Tennessee are not unreasonable, but when I hear of an exorbitant rate I immediately take the matter up with the rating bureau and usually obtain satisfactory results.

The engineers of the National Board have the following to say with regard to the **conflagration hazard at Johnstown, Pa.:**

Serious fires are probable in the principal mercantile district on account of considerable frame construction and structurally deficient joisted brick buildings. Good accessibility and an efficient fire department, though lacking in some equipment, somewhat reduce the conflagration hazard, but the streets are mainly narrow, an adequate water supply is not readily available and the resultant hazard is fairly high. Steel manufacturing plants are in groups and have good private fire protection; among them spreading fires are improbable. At the few other plants spreading fires are dependent on wind conditions. Residential districts are frame and distributed in different sections of the city; shingle and slate roof coverings are about equaliy divided; the hazard varies from mild to serious, being influenced considerably by the inadequacy of the water supply in several parts.

The engineers of the National Board of Fire Underwriters say of the **conflagration hazard at New Haven, Conn.:**

In the congested value district construction is mostly light and seriously deficient structurally, particularly in protection to internal and external openings; streets are narrow, most blocks are large and congested, with serious mutual exposures in block interiors, there is little private fire protection and winds are occasionally high. The fire department is efficient, fairly strong and fairly well equipped, the fire alarm system generally reliable and the water supply adequate in most of the district. In the more congested blocks, conflagrations involving considerable portions of the district are probable. Manufacturing plants are mainly well equipped and not liable to serious fires. Portions of the minor mercantile districts are congested and have a high local hazard. Residential sections are mainly frame and, in the congested shingle-roofed portions, are subject to sweeping fires.

The following report regarding the **conflagration hazard at Union, N. J.,** is made by the engineers of the National Board of Fire Underwriters:

In the principal mercantile district buildings are low to moderate in height, areas mainly small and the district narrow, but construction is weak from a fire prevention standpoint, streets are narrow and overhead wire obstruction serious; the volunteer fire department is poorly trained and handicapped by an unreliable alarm system and frequent high winds; water pressures are fairly satisfactory for direct hydrant streams at ordinary fires; there is little private fire protection and the conflagration hazard is severe. The conflagration hazard in the minor mercantile district is similar in most respects. Other districts consist largely of frame dwellings and tenements, many with shingle roofs; considering the few mitigating features, serious fires are probable.

Something of a **furore** has been raging in the vicinity of Troy, N. Y., since the Troy Board of Fire Underwriters issued a circular a few days ago proclaiming against the new rates promulgated by the Underwriters' Association of New York State, which were reductions applying to dwellings and private barns. A hearing on the subject before Superintendent Emmet resulted in an order setting forth that the schedule of the association was not a discrimination as the Troy board had charged. He also ruled that the use of the Troy schedule would not be a discrimination against the balance of the State.

A **sensational action** was taken at Wilkes-Barre, Pa., on Saturday last, when warrants were sworn out for the arrest of fifty members of the Wilkes-Barre Underwriters' Association, in which they were charged with a criminal conspiracy to maintain fire insurance rates. Suit to dissolve the association was also started. These proceedings followed a session of the Pennsylvania Legislative Insurance Investigating Commission, held in Wilkes-Barre last week, at which it was alleged that fire insurance rates in Wilkes-Barre have been raised 300 per cent. since the formation of the association.

The "fire-resistive committee" of the National Fire Protective Association has decided **to discontinue the use of the word "fire-proof"** as regards present building construction. The committee points out that a more correct description of the highest type of construction at the present time is found in the expression "fire-resistive." The committee will subdivide the meaning of this term into several classes, indicative of the several types of buildings generally found, and will report at the annual meeting to be held in Chicago in May.

The total fire and windstorm **risks written** by all companies **in Louisiana** during 1913 amounted to $342,120,170.98, which is $47,239,630.11 more than the aggregate business of 1912. The aggregate premiums collected during 1913 amounted to $4,566,785.24, $181,801.10 more than in 1912. The losses paid amounted to $2,152,411.47, or $156,435.91 more than in 1912. The average percentage of net losses paid to net premiums collected during 1913 is 47.13 per cent. The average for 1912 was 45.51 per cent.

The April meeting of the **Barebones Alumni Association** will be omitted and the season's activities will close with the annual meeting on May 5, the place for which is to be announced later. The speaker on that occasion will be James J. Hoey, second deputy insurance superintendent of New York, who is well known for his ability and aggressiveness in the field of insurance supervision. Officers for the ensuing year will be elected at the meeting.

The accountancy branch of the **Insurance Society of New York** will hold a meeting and dinner at the Underwriters' Club on Monday evening, April 27. The name of the speaker will be announced later. The price of the dinner will be $1 to all, whether members of the Insurance Society or not, and a large attendance is looked for. The committee of arrangements includes L. H. Eckhardt, James Gaukrodger and T. D. Richardson.

The **Local Agents' Club** has been organized at Chicago, among agents who are compensated exclusively by commission for the lawful promotion of the best interests of its members. The officers are as follows: President, Charles T. Chandler, of Waller, Chandler & Gray; vice-president, R. W. Hosmer, of R. W. Hosmer & Co.; treasurer, J. E. Purnell, of Purnell, Conover & Dudley; secretary, Donald M. Wood, of Childs, Young & Wood.

The meeting of the **Western Union** which is to be held in Philadelphia next week Wednesday and Thursday will, in addition to its routine business, discuss several special topics, for which special committees have been appointed. They are as follows: On expense of the prevention associations, James F. Joseph, chairman; Consequential damages, M. Lovejoy, chairman; Relief measures, C. A. Ludlum, chairman.

The **reinsurance** of the liability of the State of South Carolina, which is carrying its own "insurance" on public buildings, has been **awarded** to the Firemen's of Newark and three Greens-

Digitized by Google

boro, N. C., companies, at rates used by the South-Eastern Underwriters' Association. The award is likely to stir up litigation, being characterized as a political move directed at the friends of Governor Cole Blease.

The new **automobile forms and rate schedules adopted** by the Western Automobile Conference were considered by the executive committee of the Eastern Automobile Conference on Thursday, and after some discussion, in which it was apparent that they could not be approved, a sub-committee was appointed to take charge of them. This committee will hold a meeting next week.

Buffalo fire insurance brokers have organized the **Fire Brokers' Association of the City of Buffalo** on the same lines and with objects similar to those of the Fire Brokers' Association of the City of New York. The president is E. M. Thompson, the vice-president, Thomas L. Quigley; the secretary, James D. Blakeslee, and the treasurer, Emil F. Guess.

The subject of **underwriters' agencies** will occupy a prominent place on the programme of the April meeting of the National Convention of Insurance Commissioners in Chicago, and an invitation has been sent to the conference committee of the National Association of Local Insurance Agents to attend the session and participate in the discussion.

The Ætna Fire has opened a **"New York home office"** at 95 William Street, of which Joseph W. Russell will be in charge as resident attorney. The object of the new office is to assist agents in New York and throughout the country. Mr. Russell has been with the Ætna Fire for twenty-two years, and has thorough knowledge of the business.

The meeting of the committee on publicity and conservation of the **National Convention of Insurance Commissioners** has been called by its chairman, Commissioner Willard Done, to be held in Chicago on April 15. The special committee on fire insurance rate making will meet on April 13 and 14, at which time classifications will also be discussed.

Saturday, April 18, 1915, is to be observed at the grounds of the Panama-Pacific Exposition as **"Insurance Day,"** the officials of the Exposition having agreed to the designation. Accordingly a meeting will be held at the grounds on that date this year, at which an appropriate observance of the day of the San Francisco disaster will be held.

The **New York State Association of Local Fire Insurance Agents** will hold its annual convention at Rochester May 28 and 29. The discussion of new schedules and rates in New York State will be given prominent place on the programme, and numerous other important matters will be taken up. A large attendance is looked for.

The **committee on blanks** of the National Convention of Insurance Commissioners will hold its **spring meeting** at the Hotel Manhattan during the week of May 17. Copies of the blanks have been submitted to the companies with the request for suggestions for changes, which should be submitted not later than April 15.

The **Argus Fire Insurance Chart** for 1914 has appeared, being published this year by the Herald-Argus Company of Atlanta. This has for thirty-eight years been a standard statistical work, and its compiler, T. W. Dealy, has made the present edition fully equal to his best work. The price is twenty-five cents.

There were 36,000 **fires in Texas** from December 10, 1910, to March 15, 1914, 86.6 per cent. of which, in the opinion of the Texas State Fire Insurance Commissioner, were preventable. The classes of property which led in losses were: Dwellings, 15,513; mercantile buildings and their contents, 13,049.

The 1914 edition of the **Underwriters' Fire Chart for Iowa** has been published by the Underwriters' Review Co., of Des Moines, giving the ten years' record of the companies doing business in that State. The book sells at the usual price, twenty-five cents per copy.

The **licenses** of thirty-two reciprocal fire insurance associations in Missouri were **revoked** on Thursday by Superintendent Revelle. The Supreme Court ruled that the law obliging the insurance department to license these associations was unconstitutional.

The State of **Utah** made a poor **fire loss** record in 1913 as compared with that of the previous year. According to Insurance Commissioner Done's report, the ratio of losses to premium receipts was 61 per cent., while in 1912 it was 35 per cent.

The New Hampshire Fire has completed arrangements for the **purchase of the County Fire** of Philadelphia, which is one of the most widely known of the smaller companies. The New Hampshire will continue the agencies of the County Fire.

By the burning of a building of the State Normal School at Superior, Wis., last week the **Wisconsin State Insurance Fund** lost about $90,000, which is about double the amount of its surplus.

The **marine rate on lake fleets** for the coming season appears to be 4 per cent., a large number of policies having been written at that rate. Conditions of the policy are the same as in 1913.

The Major A. White Agency has been appointed **to represent the Seneca Fire** of Buffalo, a newly organized company. The writing of business in New York began this week.

The **Cleveland National Fire** began business in Ohio this week. Carroll L. De Witt is vice-president and managing underwriter.

The Standard Mutual Fire of Philadelphia has been **admitted to Massachusetts.** D. D. Randall will be its representative there.

The Bluff City Fire of Memphis has **reinsured** its outstanding business in the Hernando insurance company of Memphis.

Life Insurance.

Temperance and total abstinence have always been subjects of more or less interest to life insurance men, and it will be interesting to note the work now being done by the **American Temperance Life Insurance Association** of New York, now in its twentieth year. This is the oldest, strongest and largest life insurance association in this country which discriminates directly against drinking men in favor of the total abstainer in the matter of life insurance, giving to the latter the full benefit of their correct habits in a lower premium rate. Since the association was organized it has paid to policyholders' beneficiaries more than $1,500,000. It has assets of about $200,000.

Digitized by Google

Its experience with the total abstainer indicates that the death rate is about 25 per cent. less than among moderate drinkers, which means that for each $100 death loss incurred among drinkers, only $75 of death loss is incurred among total abstainers. This company is making a drive for this class of business in 1914. During the past year the association has introduced a new policy with a disability feature. Under its terms this policy will pay half its face value to the insured direct in the event of his permanent disability. In the way of death benefits the policies are designed on a graduating scale, increasing in value each year, as follows: Should a policyholder die the first year, his beneficiary receives a sum not exceeding 10 per cent. of the death benefit. During the second year he receives 25 per cent., the third year 40 per cent., the fourth year 60 per cent., the fifth year 75 per cent., and during the sixth year and thereafter the full amount of the benefit named in the policy. If a policyholder who has made monthly, quarterly, semi-annual or annual payment should be unfortunate to lose one eye, or one limb, or two eyes or two limbs, during the first year, he shall receive 25 per cent. of the benefit named in the policy. During the second year and thereafter he will receive the full amount.

As this paper goes to press the Travelers of Hartford is in the midst of its **golden jubilee celebration.** Hundreds of agents are quartered in Hartford and Springfield and both cities are given over almost entirely to the celebration. The programme of events is a notable one, and there have been a large number of important addresses. An account of the proceedings will be published in this paper next week. One of the interesting items of the first day's proceedings was the address of President Sylvester C. Dunham, which was a retrospective view of the achievements of the half century. He pointed out that previous to the issuance of the first signed insurance contract James G. Batterson, founder of the company, and James Bolter, in the spirit of humor with which both were abundantly endowed, agreed upon the insurance of the latter against accident while walking to and from his home on Buckingham Street. A premium of two cents was paid and turned into the treasury of the company. The identical coins are still in its possession. "Had they been invested at interest," said President Dunham, "their value to-day would have been thirty-eight cents. I cannot criticize the former officers for this waste, for the present officers continue under the same condemnation." It is easily one of the most remarkable insurance gatherings of the year.

In February the New York Life paid in death claims, cash values, dividends and annuities $5,075,947.60, and to the beneficiaries of 684 policyholders who died, $2,042,859.10. Eighteen of these people died in their first year of insurance, and the company paid their beneficiaries over $61,000. To 4,009 living policyholders the company paid $3,033,088.50. Living policyholders thus received over $990,000 more than did the beneficiaries of the dead. The causes of death in February were as follows: Heart disease, 82; consumption, 72; pneumonia, 60; Bright's disease, 67; apoplexy, 61; cancers and tumors, 55; accidents, 44; diseases of arteries, 27; paralysis, 25; diseases of digestive organs, 18; liver disease, 14; diabetes, 13; bronchitis, pleurisy, etc., 12; appendicitis, 11; typhoid fever, 10; blood poisoning, anemia, etc., 8; old age, 6; spinal disease, 5; nervous prostration, congestion of brain, etc., 3; rheumatism, 2; all other causes, 80.

The **Northwestern National Life** has on the press the first quarterly edition of its policyholders' paper, the *News*. This number is entitled the "Health Conservation Issue," and contains original articles by Ex-President William H. Taft, E. E. Rittenhouse, formerly Insurance Commissioner of Colorado and now President of the Life Extension Institute; Professor F. H. Bass, of the University of Minnesota; Colonel Walter D. McCaw, of the Medical Corps, United States Army, and Senator Robert L. Owen, of Oklahoma, who has so persistently advocated the creation of a national department of health. For the past eight years the Northwestern National has made persistent efforts to educate the policyholders on the subject of disease prevention and longevity, and has offered free medical advice to its policyholders and the opportunity for periodic physical examinations at the home office.

The life underwriters of San Francisco on March 31 tendered a **dinner to John Landers,** who has recently been elected resident vice-president of the Manhattan Life in appreciation of fifty years of continuous service as general agent. Will G. Taffinder acted as toastmaster, and Mayor Rolph, William Crocker, president of the Crocker National Bank, Ex-Governor Porter, Insurance Commissioner Cooper, Wm. J. Dutton, former president of the Fireman's Fund, Fred Beaver and Rev. Champett were the speakers of the occasion. "Uncle John" was presented with an engrossed copy of the minute of the board of directors setting forth his election to the position of resident vice-president, and he was also handed letters of congratulation from each of the general agents of the Manhattan Life.

Discussing the **British social insurance act,** the *Record-Herald* of Chicago says editorially that the first part of the act is strongly criticized. The article continues:

> It appears, however, that the second part of the act, which covers only a few skilled trades and provides for insurance against unemployment, has been a remarkable success. Times have been good for these trades and large funds have been accumulated against lean periods. Everybody is satisfied with this feature of Lloyd-George's great act, and even insincere stump orators have to praise it. A motion to extend it to certain other trades has passed the commons without dissent or division. It was shown in the debate that compulsory insurance has tended to stimulate and strengthen voluntary insurance against unemployment. The benefits of the law have therefore been not only direct but indirect. In our studies of the unemployment problem the operation of the new British insurance system will doubtless receive the attention it deserves.

The Equitable has made public a transaction involving group life insurance for the 5,000 employees of the Philadelphia Company and its subsidiaries, which is said to be **one of the largest life insurance deals** ever made. The Philadelphia Company is a holding company for the Philadelphia Company, Philadelphia Company of West Virginia, Pittsburgh and West Virginia Gas Company, Allegheny Heating Company, Equitable Gas Company, Monongahela Natural Gas Company, Consolidated Gas Company of the City of Pittsburgh and the South Side Gas Company. Each employee is covered for an amount equaling one year's pay, and the entire expense is paid by the company.

The Equitable Life has lost the decision in the suit brought by it to restrain the Union Pacific Railroad from dividing its **$89,000,000 stock "melon"** among holders of common stock only. The Equitable owns a large block of preferred stock, which it claims should also participate. This is by no means the final disposition of the matter, as the decision will be appealed, and there are yet other suits to be determined. The decision was by Justice Greenbaum in the Supreme Court of New York.

A **compulsory life insurance investment** bill in this year's session of the Mississippi legislature was badly beaten. A motion to postpone indefinitely was carried in the lower House by a vote of 77 to 25. It is stated that credit for the defeat of the bill is largely due to two insurance men who were members, E. M. Cavett, general agent for the Union Central Life, and W. E. Mallett, an agent of the New York Life.

Digitized by Google

A **negro fraternal of Oklahoma,** resplendent with the title of the "Grand Lodge of United Brothers of Friendship and Sisters of the Mystic Ten of North America, South America, Europe, Asia and Africa," has been closed up by Insurance Commissioner Welch of Oklahoma, on the complaint that it has been taking money without accounting for it. A receiver has been appointed.

An unsuccessful effort to blackmail President Sylvester C. Dunham, of the Travelers, out of $5,000 was made at Hartford on Wednesday by one Chauncey H. Hovey, of Springfield, Mass., who was captured by means of a decoy package. He has been a respected resident of the latter city and is believed to be insane.

Applications were received by the **Manhattan Life** during March calling for new business equal to 121 per cent. increase over the new business received for March of last year; and the new business for the quarter is over 50 per cent. greater than the new business received for the first quarter in 1913.

Agreeable to its policy of restricting its real estate holdings, the Mutual Life's building at 95 Milk Street, Boston, has been **sold to a syndicate.** It was one of the first to be built after the conflagration of 1872, and was at that time and still is one of the show places of the city.

The new **Association of Life Insurance Counsel,** of which William Brosmith, of the Travelers, is president, and Hon. William J. Tully, of the Metropolitan Life, is secretary and treasurer, will formally organize at a meeting in Hartford on April 16.

The Kentucky Court of Appeals has decided that the injunction sought by the **Metropolitan Life** to prevent the insurance commissioner of that State from inspecting its records or revoking its license should have been granted by the Franklin Circuit Court.

The life insurance **premiums collected in Louisiana** during 1913 aggregated $7,486,650.13, which is $467,792.01 in excess of the premiums for 1912. Total claims paid during the year 1913 amounted to $2,476,121.64, which is $69,722.23 less than in 1912.

The **Kalamazoo Life Underwriters' Association** has been organized at Kalamazoo, Mich., with T. Y. Sebring, of the Mutual Benefit Life, as president; J. E. Broyles and A. C. Gilbert, vice-presidents, and F. W. Hough as secretary-treasurer.

The Association of Life Insurance Presidents has collected a large number of editorials on the subject of policy loans from newspapers throughout the country and has published them in a booklet entitled **"Bequeathing Our Debts."**

The **Franklin Life** of Illinois has elected George S. Stadden president, to succeed the late Edgar S. Scott. Henry M. Marlan, who has been chairman of the finance committee, succeeds Mr. Stadden as vice-president.

The Chattanooga Life Underwriters' Association has begun a campaign **to secure the 1916 convention** of the National Association of Life Underwriters for that city. A live committee has been named.

The **Federal Life of Chicago** has been admitted to Georgia for business, which will be in charge of M. L. Wood, at Harrison, Ga. The company will transact accident and health as well as life insurance.

A policy on the life of the late George W. Vanderbilt **for $1,000,000** was written by the Mutual Life seventeen years ago and was in force at the time of his death.

The **Mutual Life,** "every time the clock ticks," pays to policyholders or their beneficiaries an average of $7. In a week this amounts to $1,226,115.18.

The Connecticut Mutual Life has **discontinued the insurance of married women** on account of the unfavorable mortality record.

The **Marquette Life** of Springfield, Ill., has elected M. F. Girton president, to succeed P. J. Bourscheidt.

Casualty Insurance—Surety Bonding.

Large questions are involved, says a London contemporary, in the present **remarkable development in motor insurance.** Some insurance authorities approve of the action of the companies; others are critical or even strongly disapproving; but it is generally considered that motorists have now the opportunity of insuring on wonderfully favorable terms. The idea behind the present development is evidently to standardize the business; but whether the business can be standardized remains to be proved. A number of the offices have agreed to issue a standard policy, which gives benefits far beyond what have generally been granted hitherto. At the same time, they have agreed upon a minimum scale of rates. These rates are to be subject to "loading," if necessary, just as the bed-rock rates for life assurance and fire insurance are increased if there are special risks attaching to the business. But on all sides these minimum rates are regarded as very low indeed. Some insurance officials whose offices have not subscribed to the agreement say they are convinced the business cannot be made to show a profit if based on such rates, especially in view of the heavy cost of third-party liability—i.e., the liability for injuries caused to persons by the motor-cars for which the owners are responsible. They reason that the companies must ultimately raise their rates or economize in the settlement of claims. It is believed, too, that ultimately the rates may have to be raised. But apparently the companies argue that by quoting low rates they will be able to overcome opposition on the part of offices hesitating whether to make the plunge or not. When all the offices supporting the movement report their experience there will be statistics to show if the present level of rates is justified. We are informed, however, that one important underwriting association has no intention of supporting the tariff. But this association issues no schedule of rates. It means to pursue its own way, confident that it is only charging rates which should leave a fair profit. Competition will have its disadvantages for the offices, but there can be no doubt that motorists are going to benefit in the immediate future.

Eleven mutual companies to write workmen's compensation insurance in New York have been organized and have filed incorporation papers at Albany. Under the law each one must have at least forty employers interested with not less than 2,500 employees, indicating a total of at least 440 employers and 27,500 employees to be covered by mutual insurance after July 1. The names of the eleven are as follows: Lumber Mutual Casualty Insurance Company of New York, American Mutual Compensation Insurance Company, Brewers' Mutual Indemnity Insurance Company, Building Trades Mutual Liability Insurance Company, Employers' Mutual Insurance Company of New York, First Mutual Liability Insurance Company of New York, Industrial

Digitized by Google

Mutual Liability Insurance Association, Mutual Payment Compensation Insurance Company, New York Associated Contractors' Mutual Liability Insurance Company, Photo Engravers' Mutual Insurance Corporation and Utica Mutual Compensation Insurance Corporation.

The following **request** has been made **of the companies writing plate glass insurance** by the New York Insurance Department:

Referring to the plate glass schedules and manuals filed with this department following the circular letter of November 17, 1913, you are hereby requested to supplement the manual rates filed for Greater New York by filing at once the street factors or other information which will definitely indicate the manner of arriving at the rates in force for each risk. If your company has adopted any rule or rules resulting in special rates or in any deviations from the regular manual rates, you are requested to state the rule or rules governing such special ratings, together with a complete list of specially rated risks written or renewed since December 1, 1913 (the date on which the manuals were filed).

The National Highway Protective Association announces that there were twenty-seven **fatal accidents in the streets of Manhattan** in March, due to vehicular traffic. Of these, twelve people were killed by automobiles, eight by wagons and seven by street cars. Fourteen were children. Automobiles injured forty-three during the month, while street cars hurt twenty-nine more and wagons twelve. The first quarter of the year shows a decrease in street accidents of 22 per cent. as respects street cars, 10 per cent. as to automobiles and 25 per cent. of wagon accidents.

The first meeting of the **Workmen's Compensation Service Bureau** in its new quarters in Forty-first Street was held this week. Manager Whitney reported on his recent trip through the West and action was taken to improve the Chicago situation. The adoption of a schedule rating system for New York and the new Pennsylvania manual were discussed and the latter was referred to a committee. The members listened to an address by J. Philip Bird, general manager of the National Association of Manufacturers.

In a suit to recover benefits on an accident policy for $10,000 issued by the Standard Accident to Cornelius Brierly, of Pittsburgh, it has been brought out that Brierly obtained policies aggregating nearly $200,000, and applied for $100,000 more between August and October, 1912, because a **clairvoyant had predicted** that he would soon meet **death.** He was killed by a train on a crossing near Pittsburgh in November of that year. Some of the life policies have been compromised.

The **close race** which the producers of the Royal Indemnity and the Globe Indemnity have been running for supremacy as to volume of premiums during the past year has been won by the Globe Indemnity, whose paid-for premiums, as reported in the preliminary tables just issued by the New York Insurance Department, were $2,987,722, while those of the Royal Indemnity were $2,794,755. The uncollected premiums of the Globe are given as $529,123, and of the Royal as $627,986.

At a meeting of the executive committee of the **International Association of Casualty and Surety Underwriters** this week it was determined to defer the **1914 annual meeting** until fall on account of the great pressure of work which will fall upon the companies in July, when the new workmen's compensation law in New York will go into effect. The date and place will be announced later, and it is probable that a southern location in September or early October will be chosen.

The Hartford Accident and Indemnity has announced the acquisition of another important man in the appointment of **Alfred Law Cameron** as an assistant in its claim department. Mr. Cameron has had a wide experience, but has been absent from business the past year for his health. Having fully recovered, he will be a valuable assistant to Manager Norman R. Moray. Mr. Cameron is also a lawyer, which fact enhances his value in claim settlement work.

The **New York State Workmen's Compensation Commission** has been in session this week at the office of Chairman Robert E. Dowling. It was announced that no selection had yet been made for secretary. It is expected that George M. Palmer will be appointed as special counsel to the commission. Public hearings to secure suggestions will be held, beginning next week. The commission must be ready to begin business by July 1 as a purveyor of State insurance.

The Great Eastern Casualty has secured the services of **Henry D. Clarke,** who has been manager of the plate glass department of the Massachusetts Bonding, and he will assume charge of the Great Eastern's plate glass department at once. The company's plate glass business in the metropolitan territory will continue to be handled by George J. Kelly, who will also act as assistant to Mr. Clarke.

The total **premiums collected in Louisiana** by accident, health, fidelity, surety, steam boiler, plate glass, liability, burglary and theft, etc., insurance during 1913 amounted to $1,242,796.57, which is an increase of $114,865.55 over the total premiums for 1912. The total losses paid during the year 1913 amounted to $578,124.41, which is $49,756.73 in excess of 1912.

The Massachusetts Bonding and Insurance Company is **to increase its capital stock** from $1,000,000 to $2,000,000 by selling that amount of new stock to the present stockholders at 150 per cent. The new funds will be used to extend the company's business, for which plans have been under way for several months.

The Comptroller of the Currency has approved applications to organize the following **new national banks:** The National Bank of Commerce of Pensacola, Fla., capital $300,000, and the Jackson National Bank, capital $100,000, to succeed the Jackson Bank, of Jackson, Miss.

In **Rhode Island,** according to figures given out by the insurance department, the companies writing **workmen's compensation** insurance received **premiums** amounting to $585,427 and paid losses amounting to $104,393.

The **Chicago office** of the merit rating division of the Workmen's Compensation Service Bureau has been **opened** in the Insurance Exchange with Howard Tilson in charge.

The Maryland business of the American Assurance has been **reinsured** in the United States Health and Accident of Saginaw, Mich.

The **Plate Glass Underwriters' Association** will meet on Wednesday, April 8.

The **Cleveland Life** has been elected to membership in the Detroit Conference.

Digitized by Google

The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, APRIL 4, 1914.

THE MANUFACTURE OF ILLUMINATING GAS.*

Description of the Processes of Gas Manufacture, with Diagrams of Model Plants—Fire Hazards Pointed Out.

By Stephen Lawrence Burgher, Inspector, Underwriters' Bureau of New England.

Illuminating gases as manufactured in the United States are principally of two varieties, known as water gas and coal gas. Based on the latest available figures of the United States Geological Survey, the total gas sold in this country per year is as follows:

	Cubic feet.
Natural gas	140,584,000,000
Manufactured gas	157,211,000,000
Total	297,795,000,000

The manufactured gas is divided as follows:

	Cubic feet.
Coal gas	45,000,000,000
By-product coke oven gas	9,000,000,000
Water gas	103,000,000,000
Acetylene gas	23,000,000
Gasolene gas	188,000,000
Total	157,211,000,000

Leaving out of consideration the acetylene and gasolene gases, the latter covering the numerous methods of diluting light oil vapors with air, it is apparent that approximately two-thirds of the manufactured gas sold in the United States is water gas. Approximately the other third is coal gas, and as these two gases form such a large part of the manufactured product, the others will not be considered in this article.

*Reprinted from N. F. P. A. Quarterly.

Statistics on the manufacture of gas taken from the thirteenth census of the United States in 1910 show that there were 1,296 establishments, having an invested capital of $915,537,000, and in which over 51,000 persons were employed. The value of the annual production of these plants was $166,814,000.

WATER GAS.

In describing the manufacture of this gas, the Lowe system of manufacture will be followed, as that system is the one that is used to the greatest extent. Few of the other processes of manufacturing this gas have attained any degree of importance, although several modifications of the Lowe system are used. These modifications are for economizing on ground area, and consist mainly of superimposing the carburetor and superheater to form one machine.

Water gas is the product of the decomposition of water, in the form of steam, in contact with incandescent carbon. Water is a chemical compound of two gases, hydrogen and oxygen, in the proportion, by volume, of two parts hydrogen to one part of oxygen. Incandescent carbon has a strong affinity for oxygen, uniting with it to form carbonic oxide.

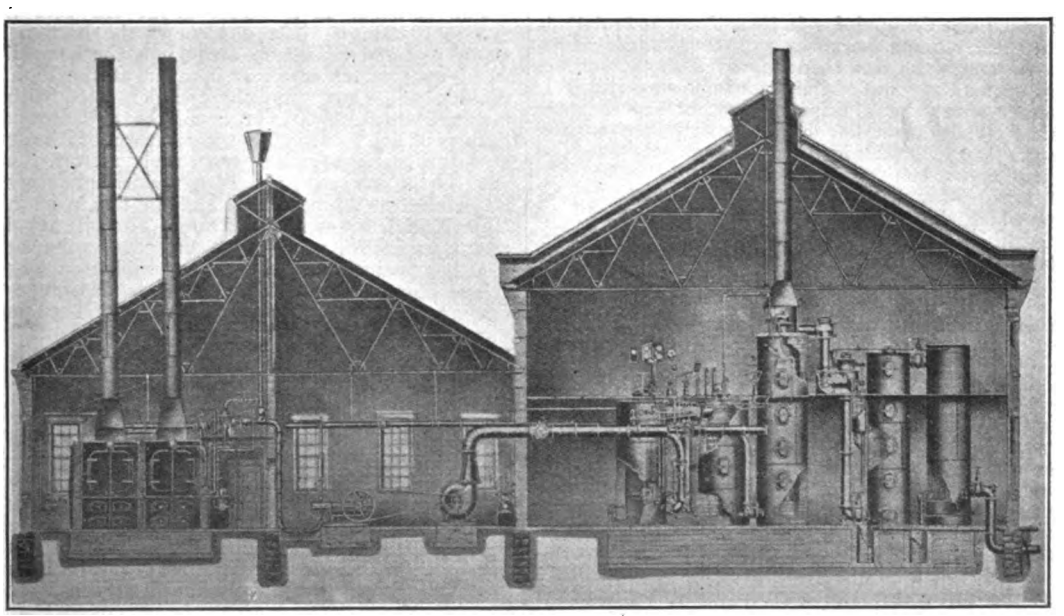
The result of this reaction is a mixture of two gases, carbonic oxide and hydrogen, theoretically in equal volumes. Under ordinary working conditions a very small amount of carbonic acid is also formed, thus slightly reducing the proportion of carbonic oxide.

This mixture of carbonic oxide and hydrogen is known as non-luminous or "blue" water gas, and has a calorific value of approximately 300 British thermal units.

The fact that water could be decomposed in the presence of incandescent carbon has been known for more than one hundred years. In 1780 an Italian named Fontana published the results of his experiments with this reaction.

Commencing with 1824, attempts were made to carburet or enrich non-luminous water gas and make it suitable for illuminating purposes.

The first attempt to manufacture and distribute carbureted water gas, on a commercial scale, was made by Michael Donovan in 130. The blue water gas was carbureted with volatile hydro-



Boiler Room Blower Room Generating Room

WATER GAS PLANT.

Digitized by Google

carbons, and this gas was experimented with for lighting the streets of Dublin. The scheme was not a success.

Another attempt was made in 1846 by J. P. Gillard, but this also proved unsuccessful. In the next forty years no less than sixty patents were taken out for methods of manufacturing and carbureting water gas.

The discovery and development of the oil fields of Pennsylvania and Ohio and the invention of the generator-superheater apparatus by Prof. T. S. C. Lowe of Philadelphia Pa., made possible the successful and economical production of carbureted water gas.

During the early days of the development of the Lowe apparatus, a number of methods and processes for manufacturing carbureted water gas were experimented with. In some cases temporary success was attained. The earlier and cruder methods were based on the utilization of apparatus of the coal gas type, making water gas in externally heated retorts or chambers.

The next step in advance was to combine a generator for producing blue water gas with a system of externally-heated retorts for fixing the oil vapors. In both of these methods it was necessary to use a light oil, generally naphtha.

The latter produced a gas of good quality; but the apparatus was complicated, expensive and lacked flexibility. From the fire hazard standpoint it was dangerous.

THE BASIC PRINCIPLES

of the Lowe system are the use of a generator and superheater, both iron shells lined with fire brick, the former being provided with grate bars, air blast and steam connections, the latter being filled with loosely piled checker brick to give fixing surface.

In the generator, non-luminous water gas was produced by the dissociation of steam in contact with carbon (in the form of anthracite coal) previously heated to incandescence by means of a forced blast of air. The superheater was brought to a suitable temperature for breaking up and fixing oil vapors by the combustion within it of carbonic oxide formed during and by the passage of the air blast through the fuel in the generator. Oil was introduced into the superheater coincident with the generation of non-luminous water gas in the generator, and by contact with the heated fire brick surfaces the oil vapors were gasified and fixed in the presence of non-luminous gas and during their passage through the superheater. The process is intermittent; first, a period of blasting to bring the carbon in the generator to the proper temperature, and by complete combustion of the blast gases in the superheater to bring the checker brick to the proper temperature for fixing the oil vapors; second, a period of gas production.

The early forms of the Lowe apparatus were designed for and only suitable for the use of naphtha for carbureting. At that period naphtha was a product of the distillation of crude oil, for which there was little demand or use; and the oil refiners had great difficulty in disposing of it. Its utilization in the manufacture of gas meant economic progress.

In the course of a few years, however, newly discovered uses for naphtha increased the demand for it to such an extent that its availability for gas-making purposes was threatened. The design of the Lowe apparatus was then improved so that crude oils could be used efficiently. One of the most important features of these improvements was the addition of another superheater, thus evolving successfully what has been known since as the "double superheater" apparatus, which has become standard in water gas manufacture.

The increased demand for crude oils made it necessary to use a by-product for which there was no particular demand, for a carbureting material. This became known as "gas oil." The apparatus was later developed to use Texas oils, which are rich in sulphur, and also gas-house coke as well as anthracite coal.

THE MATERIALS THAT CAN BE AND ARE USED

at the present time in the generator are: gas-house coke, by-product coke, oven or beehive oven coke, Pennsylvania and Welsh anthracite coals. It is known that in one case sawmill refuse has been employed. For carbureting materials gas oils or crude oils are used. In case of emergency, naphtha and other similar distillates can be used successfully.

The gas-making apparatus consists of three separate upright shells placed on the same foundation level and connected so as to practically form one continuous vessel. The first is the generator; the second, the carburetor, and the third the superheater.

The generator and carburetor are connected together near the upper heads; the carburetor and superheater are connected near the bottom, these connections being lined with fire brick. The tops of both generator and carburetor are at the level of the working floor. The superheater extends about seven feet above the floor.

Each of these three shells is lined with fire brick. In smaller sets the generator only is double lined, while in larger sets all three shells are double lined. The interior of both carburetor and superheater is filled with fire brick, placed loosely in tiers, in such a way as to break joints and baffle the gas in its passage through; thus keeping it in more intimate contact with the heated surfaces.

IN THE OPERATION,

the generator being filled with a deep fire of coke or coal, a blast of air from a blower is admitted in the bottom of the generator, underneath the grate, and passes through the fuel. The oxygen of the air unites with the heated carbon to form carbonic oxide. The nitrogen is not affected. These two gases, carbonic oxide and nitrogen are termed the products of partial combustion, the meaning of which is that if more oxygen be added, the carbonic oxide will ignite and burn to carbonic acid. These products of partial combustion are thus burned in the carburetor and superheater by admitting air from the blower. The result of this combustion is intense heat, which is taken up by the loose fire brick, or checker brick with which the carburetor and superheater are filled. The resulting carbonic acid nitrogen—products of complete combustion—then pass off to the atmosphere through a stack valve. The degree and distribution of heat in the carburetor and superheater are entirely under control and can be adapted to the character of the oil used in the carburetor.

When the temperature in all shells is at the proper point, shown by electric pyrometers, the air blasts are shut off and all combustion ceases.

The stack valve is then closed and steam is admitted under the grate in the generator. The passage of this steam through the highly heated fuel produces non-luminous water gas. At this gas enters the top of the carburetor, it meets a spray of partially vaporized oil. The gas and oil vapors pass together over the highly heated surfaces of the carburetor and superheater and the oil vapors are gasified and fixed in the presence of non-luminous water gas. The result is a thoroughly fixed and permanent illuminating gas. When the heat is reduced to a point where it is no longer advantageous to continue the run the oil and steam are shut off, the stack valve is opened and a period of air blasting takes place.

The gas then passes for purification and storage. From the superheater, near its top, proceeds the gas outlet pipe, leading down to a small vessel which acts as a tar extractor and in which the end of the gas outlet pipe is sealed in tar. In the vertical outlet pipe is placed a smaller pipe, through which the oil passes on its way to the carburetor, being heated by the hot gases, and entering the carburetor in a partially vaporized state. The gases, after dipping under the tar seal and having much of the tarry matters extracted, due to the lowering in temperature of the gas, pass into a scrubber and a condenser and thence out of the house to a relief holder in the yard.

The scrubber is a vessel about six feet in diameter and twenty feet high. The gas enters the bottom of this under a water seal and passes up through a checkerwork of bundles of wood over which water is sprayed at the top. The condenser consists of a large upright cylinder filled with two-inch pipes through which cold water circulates, and around which the gas passes. This lowers the temperature of the gas and like the scrubber causes further separation of tar. All tar finds its way to the tar well, usually provided underground, where the water and tar are separated and the tar, in many cases, used for boiler fuel for generating steam. The oil tars thus obtained are not so useful for commercial purposes as the tars obtained from coal gas manufacture which are sold as a by-product.

The object of the relief holder is to change the intermittent feature of production to one of steady and constant flow throughout the remaining processes. In some plants the relief holder is weighted in such a way that the gas is forced, instead of being pumped, through the remaining apparatus.

From the relief holder the gas goes through a large upright cylindrical vessel, called the shaving scrubber, as contrasted from the first scrubber sometimes called the washer scrubber, which is filled with dry wood shavings. The action in this scrubber is to take out all moisture and what little tar remains in the gas.

The gas, at this stage, is not fit for distribution, as it contains impurities, those which it is necessary to remove being carbonic acid and sulphureted hydrogen. Therefore, the gas is passed through the "oxide purifiers," which are large, shallow, cast-iron, box-shaped vessels filled with screens. The gas passes up through these screens which, being covered with a mixture of iron filings, soft wood and sometimes slacked lime, remove the

Digitized by Google

impurities mentioned above. When the purifying action has ceased, simply exposing the inert mixture to the action of the air for a while restores its properties until after repeated use it becomes so charged with free sulphur that it is no longer serviceable.

When the use of sawmill refuse known as "cypress hog" or "pine hog" is employed in the generator, the dry scrubber and even the tar extractor may be omitted, as there is very little tarry matter in the gas.

From the purifiers the gas passes through meters to the storage holders, ready for distribution.

COAL GAS.

The discovery that the distillation of coal and other carbonaceous substances produced an inflammable and more or less luminous gas was made prior to 1690, but it was not until nearly one hundred years later that the idea of using this gas for illuminating purposes was conceived. Then this use seems to have been thought of independently by several persons in different countries at about the same time, and consequently there is a dispute as to who should be accredited as having been the originator of the use of coal gas as an illuminant.

Apparently J. P. Minckelers, a professor in the University of Louvain, in Belgium, in 1784, distilled powdered coal, for the production of inflammable air which he used to fill balloons. In a report advocating the use of coal gas for aeronautical purposes, in which he was particularly interested, he is said to have mentioned the fact that the gas might be purified by being passed through lime water and could be used for illuminating purposes. It is also claimed that records in the archives of Louvain show that in 1785 Minckelers lighted his lecture room with inflammable air produced by the distillation of coal.

THE EARLIEST PATENT

taken out in England, in connection with the distillation of coal, was that of Lord Dundonald, for the production of different substances from the distillation of coal, obtained in 1785. His object, however, was the production of tar, and while he is said to have lighted the hall of Culross Abbey with crude coal gas in 1787, he apparently did nothing further along the lines of illumination by means of coal gas.

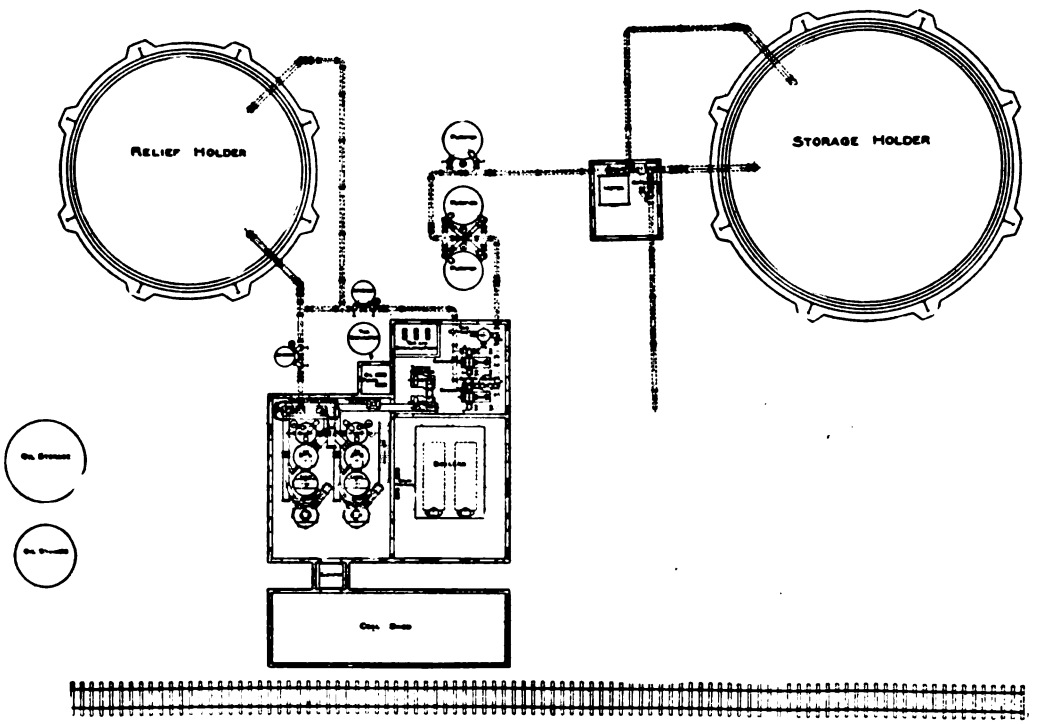
William Murdock, who is credited as being the originator of the use of gas for illuminating purposes, apparently began experimenting along this line at Redruth, Cornwall, in 1792. In that year he distilled coal, peat, wood and other carbonaceous bodies, and being impressed by the quantities of gas given off during distillation and the facility with which a brilliant light was produced by this means, he made experiments to determine the relative costs of light so obtained and that obtained from oils and tallow. In 1797 he lighted his own premises with coal gas and later other buildings.

The man, however, who probably was the greatest factor in hastening the introduction of the public supply of gas was Frederick A. Winsor. He was struck with the possibilities of the process, and after much labor and time promoted a National Light and Heat Company in London in about the year 1808. In 1809 he lighted with gas a portion of one side of Pall Mall, this being the first public street lighted by means of coal gas. Even with the crude apparatus used in these times it was found that lighting by means of coal gas was much cheaper than by means of candles, which was the general practice at that time.

By 1815 the London and Westminster Chartered Gas Light and Coke Co., also formed by Winsor and his associates, had installed three manufacturing plants and fifteen miles of street mains. Other companies were soon organized and the business of supplying gas progressed so rapidly in Great Britain that in 1829 more than two hundred gas companies had been formed.

THE FIRST USE OF COAL GAS AS AN ILLUMINANT

in the United States is said to have been made in Philadelphia in 1796, but the first definite record of such use in this country is the lighting in 1806 by David Melville of his house in Newport, R. I., with gas made by himself. In 1813 he lighted with gas some mills in the vicinity of Newport.



TYPICAL LAYOUT FOR LARGE WATER GAS PLANT.

The first gas company in the United States was organized in Baltimore in 1817, and this was followed by the organization of companies in Boston and New York, but because of the comparative cheapness of other illuminants progress was slow, and up to 1830 these were the only cities that had gas works.

Coal gas as manufactured for illuminating or heating purposes is made by the destructive distillation of coal in retorts externally heated.

THE CLASSES OF COAL USED

for the purpose are confined to those varieties which are bituminous in their nature, yielding, upon distillation, the greatest possible amount of volatile hydrocarbons. Bituminous coals have the property not possessed by the anthracites, of softening and apparently fusing when subjected to a temperature below that at which combustion would take place. Coals having a large percentage of hydrogen yield more volatile substances at the temperature of distillation and less carbonaceous residue than others which contain less hydrogen and more carbon, the latter approaching anthracite in composition. Anthracite is, therefore, valuable for the manufacture of water gas, as it contains larger amounts of carbon.

Digitized by Google

There are two classes of coals which are bituminous in their nature called "coking" and non-coking coals. These are much the same composition, but the latter does not possess the quality of fusing to a compact mass and is therefore. used for steam boiler firing.

As the coking coals, which are used in coal gas manufacture, come in large lumps, it is necessary to crush them into small pieces before being used in the retorts.

The retorts as made in recent years are universally of some form of fire clay. Older retorts were made of cast iron, but the destructive action of the gases made the use of the clay retorts a matter of economy in maintenance. These retorts are usually of the shape of a capital letter "D," with the flat side for the bottom. But retorts of oval or even circular shaped cross-section are often used. The dimensions vary, but are very often as follows: Width internally, 20 inches; height internally, 13 inches; thickness of walls, 3 inches, and length, about 20 feet. These are mounted, five to nine in a set or bench, horizontally, vertically or inclined at an angle of about thirty degrees with the horizontal in brick furnaces of special construction, in such a manner that the gases of combustion of the fire beneath pass around and over the retorts and out through a main flue leading to a chimney. The fuel for firing is usually coke taken from some of the retorts above after the run. Sometimes coal and in a few cases gas is used for heating the retorts on the regenerative principle.

The retorts are filled with gas coal in amounts ranging from 200 to 1,000 pounds, according to the size and serviceability of the retorts, and allowed to heat for five or six hours. The heat drives off the volatile gases which form the basis of illuminating coal gas and leaves coke in an incandescent state. The coke is drawn out of the retorts into a trough usually fitted with a conveyor which carries it under a water spray to cool it before finally dumping it in the yard.

Retorts are charged by hand, care being taken to distribute the coal evenly over the bottom of the retort. Inclined and vertical retorts are charged from their upper ends and drawn from the lower ends. Mechanical means of charging have been devised, but were not found to give the best results and are therefore not used.

From the retorts "A" (see sketch) the gases pass up a pipe "B" called the "standpipe," with which each retort is provided. The outlet end of the standpipe dips below a water or weak ammonia liquor seal in what is termed the "hydraulic main," "C." The passage of the gas up the standpipe and through the seal lowers its temperature and causes the main bulk of the tar and ammonia to be left in this liquor. A large drum is attached below the hydraulic main of each bench and in this the tar collects. Overflow pipes from the tar drum and the hydraulic main conduct the tar and ammonia liquor to the tar well, wherein the products collect.

From the hydraulic main the gas, somewhat purified, passes to another building, and into a condenser "D," usually of an upright type, which contains tubes through which cold water circulates and around which the gas passes. Newer forms of condensers, known as atmospheric condensers, as shown in sketch, are composed of vertical pipes connected in pairs near the top, the lower ends being connected to a box containing water and which is divided by partitions so that the gas passes over the water and up and down the pipes alternately. The reduction of temperature of the gas in the condenser throws out more tar and ammonia, which find their way to the tar well.

The gas at this stage usually passes through an exhauster or pump "E" which draughts from the condenser. The gas has flowed from the retorts to the condensers due to the sucking action of this pump. From this stage on the gas is under a pressure of about five or six inches of water and is forced through the remaining apparatus to the storage holder.

The gas sometimes becomes heated again, due to the compressing action of the pump, and it is sometimes necessary to put it through another condenser to lower its temperature again.

The gas then passes through a tar extractor "F," which takes out more tar and ammonia. The gas enters an upright cylindrical vessel under a water seal and passes up through screens or grids arranged so as to baffle the gas in its passage through them. This action removes all tar that remains.

From the tar extractor the gas goes to one or two scrubbers "G" for the purpose of separating the naphthalene and ammonia that remain, and these machines also extract a small amount of the sulphureted hydrogen. Two principal forms of scrubbers are in use: The tower scrubber and the more compact washer scrubber. The tower scrubber consists of a tall shell packed with coke, wooden checker work, or perforated iron plates, down through which a weak ammonia liquor trickles and meets the gas passing up. The washer scrubber "G" (shown in sketch) is either upright or horizontal and consists of numerous segments in each of which a shaft revolves. Bundles of wood are attached to the shaft in each segment and on a portion of the revolution these pass through a weak ammonia liquor. The gas passages are so arranged that the gas must go between the small spaces in the welted bundles of wood.

From the scrubber the gas passes to the oxide purifiers "H," as in the purification of water gas, and this removes the hydrogen sulphide still remaining, carbon disulphide and carbonic acid. The gas then is passed through meter "I" and to storage holders "J" ready for distribution.

A new system recently brought to notice has been installed in Derby, Conn., employing vertical retorts. This is known as the Woodall-Durham system, and the advantage claimed is that gas may be made continually by the use of automatic machinery. This is a new undertaking, and if proven successful will probably be used extensively in new plants.

IN GENERAL.

A great many plants manufacturing illuminating gas make both coal and water gas, though newer plants apparently tend toward water gas as being more economical, in that less labor and less yard room are required. Water gas apparatus has also the advantage of being more flexible, as gas can be produced from an idle plant in about twenty-four hours, while in coal gas plants it would take from one week to one month. For this reason, water gas is made in coal gas plants to take care of seasons of heavy consumption by their customers. The gases are mixed in the mains in various percentages, although pressures, etc., must be carefully regulated when they are mixed, as they are of different specific gravities.

Coal gas plants have coke and tar as by-products. The ammonia liquor also is sometimes sold direct as a by-product and, sometimes, by distillation and surface contact with sulphuric acid, it is reduced to ammonia sulphate and sold in that form.

Coal gas, as a by-product of coke manufacture is also sold for illuminating purposes, both in the purified and in the unpurified state. The retorts or coke ovens used for manufacturing coke are very large and are heated for about thirty hours. Part of the gas obtained is usually used for heating the ovens and what remains is sold to companies who purify and distribute it. Methods of purification, etc., are the same as for the ordinary coal gas.

HAZARDS.

In considering the hazards, the construction of various buildings is important. These should all be fire-resistive if possible. In any event, there are certain places which must be fire-resistive, on account of the nature of the occupancy.

One of these places is the operating floor of the generator room of the water gas plant. This floor comes on a level with the top of the generator and carburetor and is subjected to considerable heat. A good form of construction for this floor and one that is often found is iron plates laid on steel "I" beams. The roof of such a generating building should also be fire-resistive and in any event the stack above the superheater must be well protected against any woodwork. A good form of construction for the roof of the generating building that is being adopted is corrugated iron laid on steel truss work.

The places corresponding to these in the retort house of a coal gas plant are the drawing and charging floors and roof. As coke is drawn from the retorts it is liable to fall in all directions before being carried away by the conveyors. This necessitates a fire-resistive form of construction for these floors. The conveyors must be of metal and must not come near woodwork, as the coke is in an incandescent state as it leaves the retort and heats the metal of the conveyor. These conveyors are sometimes run in a trough filled with water.

THE DANGER OF SPONTANEOUS IGNITION

of coal in a gas plant is probably no greater than in any plant using steam boilers. The coals used in the actual production of gas are not liable to heat spontaneously, as anthracite is used in water gas plants, and gas coal which comes in large lumps is used in coal gas plants. Neither of these coals is considered dangerous.

The purifying process by the use of oxide is one in which there is considerable hazard. Iron filings are almost universally used and these in storage are liable to heat spontaneously. Their storage should always be in a cut-off section, perfectly fireproof. The action in the purifying boxes is one that will cause spontaneous heating if allowed to take place too rapidly. Then, when the covers are removed for recharging, there may

Digitized by Google

be heat enough in the sponge to ignite the gas which must necessarily be contained in the boxes and thus cause an explosion. Another cause for heating in the boxes is apt to occur from improper mixing of the iron filings and wood shavings, so that a quantity of filings remains closely packed together. These troubles are not likely to occur in a mixture that has been used several times, as the chemical actions take place more slowly under that condition. The reviving process is usually done on the floor below the boxes. The oxygen of the air unites to separate free sulphur. This action is also a cause for spontaneous heating if carried on too rapidly, and for that reason all windows, etc., in the reviving room should be closed so that the action will take place slowly.

Recently purifying boxes are being made larger so that one box takes the place of several smaller ones, and these are being laid in open yards partly underground, with only a roof covering for protection. This form is much more desirable than having the purifying boxes located in buildings.

OTHER PROCESSES THAT NEED SPECIAL ATTENTION

are: The storage and immediate removal after use of the shavings used in the shaving scrubbers, and the storage of lime and gas oils which should be at an ample distance from all buildings.

The method of feeding gas oil to the carburetor should also be considered. The safest method, from a fire hazard standpoint, is to employ pumps which draw from a storage tank outside. In case of a fire or damage to the pump the oil in the pipes will drain back to the storage tank. A system of feed by gravity from tanks located above the carburetor would allow all

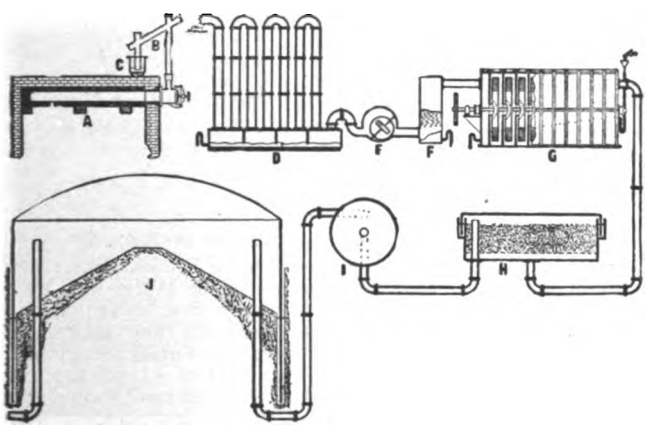


DIAGRAM OF A COMPLETE COAL GAS PLANT.

the oil in the tank to drain into the building in case of a break in a pipe. In this system, all oil piping should be located where it is least liable to breakage.

The arrangement of gas piping should be such that there is the least possibility of breakage, as a leak might liberate an enormous quantity of gas. Piping laid underground as much as possible is desirable from the fire hazard standpoint. It is also well to have at least two shut-offs in different locations for each section of piping, as it might be impossible to operate one valve in case of trouble caused by a broken or leaking pipe.

The possibility of gas leakage is present continually during the process and especially in the generator building, condenser building, purifier room, meter room, valve and governor rooms. For this reason open flames and smoking should be prohibited and all electric lighting should be installed as recommended by the National Fire Protection Association for localities where volatile inflammables are present by using double encased lamps, conduit wiring and outside switch control.

ANOTHER HAZARD

occurs in the testing of the manufactured gas for its candle power or illuminating quality. The usual method employed for this is by ordinary photometric apparatus with open flames, one burning the gas to be tested and the other a standard of illuminating power at either end of the machine. The standard light formerly used was the common candle, but of recent years the "Harcourt Pentane Standard" has come into use. The standard in this case is obtained by mixing the vapor of pentane with air and burning this mixture. Pentane is a hydrocarbon of the menthane series and is very volatile and highly inflammable. It is much more hazardous than gasolene, in that its evaporation is more rapid. It is placed in an elevated tank holding about one pint. The hazard lies in the presence of open flames and matches which are usually employed to light the flames in a small room in which an inflammable volatile liquid is freely used and stored. For the best possible arrangement the testing should be in a detached fireproof building with electrical apparatus for lighting the flames. Also all storage of pentane should be away from any building and the ventilation of these dark rooms should be investigated, as the vapors are heavier than air.

With acknowledgments for cuts and valuable information to Frank Hall Thorp's *Industrial Chemistry;* United Gas Improvement Company's *Carbureted Water Gas,* and Alfred E. Forstall, *The Technique of Gas Manufacture.*

General Classification of Fire Losses in the United States Amounting to $5,000 and Over Reported in March.

Number of Fires.	Classification.	Reported Loss.
63	Spreading fires, with omnibus loss	$4,563,000
50	Business buildings, with varied occupancy	3,331,000
15	School and college buildings	1,624,000
1	Waterfront conflagration (Portland, Ore.)	1,000,000
27	Miscellaneous mercantile risks	720,000
4	Cotton storages	625,000
14	Miscellaneous warehouses	610,000
7	Railroad buildings	560,000
5	Churches	530,000
1	Paper mill	500,000
20	Hotels	470,500
1	Athletic clubhouse	466,000
10	Grain elevators	461,000
20	Miscellaneous manufacturing risks	439,000
21	General stores	404,000
30	City dwellings	392,000
7	Theatres	299,000
13	Suburban dwellings	288,000
3	Country club-houses	255,000
4	Saw mills	246,000
3	Oil plants	245,000
3	Department stores	219,000
3	Wharfs and piers	218,000
1	Printing plant	200,000
1	Wholesale drug establishment	200,000
3	Box factories	187,000
3	Lumber mills	140,000
1	Wholesale grocery establishment	125,000
2	Flour mills	115,000
1	Distillery	100,000
2	Furniture factories	100,000
2	Mine buildings	100,000
1	Veneer mill	100,000
1	Yarn mill	100,000
10	Farm buildings	85,000
4	State and county buildings	85,000
4	Tenement	80,000
1	Toy and stationery store	80,000
3	Electric light and power plants	75,000
1	Y. M. C. A. building	75,000
5	Garages	68,000
2	Furniture storages	65,000
2	Stables	60,000
2	Woodworking risks	60,000
3	Bakeries	55,000
2	Breweries	50,000
1	Cotton mill	50,000
4	Restaurants	45,000
1	Automobile factory	40,000
3	Losses due to lightning	40,000
1	Wholesale notion house	40,000
3	Planing mills	37,000
1	Chair factory	35,000
1	Piano factory	30,000
1	Sardine factory	30,000
1	Shoe factory	30,000
1	Tobacco warehouse	30,000
3	Hardware stores	27,000
2	Cooperage plants	26,000
1	Fraternal headquarters	25,000
3	Iron foundry	25,000
1	Tobacco manufactory	25,000
2	Meat packing plants	23,000
2	Amusement parks	20,000
1	Automobile storage	20,000
3	Paper box factories	20,000
1	Saloon	20,000
1	Boarding house	18,000
2	Steamboats	17,000
1	Boat house	15,000
1	Cotton oil plant	15,000
1	Hospital	15,000
2	Store-and-dwelling risks	15,000
2	Apartments	14,000
1	Lumber yard	13,000
1	Fire company headquarters	10,000
1	Sprinklered risks	8,000
1	Cotton gin	7,000
1	Woolen mill	6,000
1	Dyeing and cleaning establishment	5,000
	Total	$21,638,500
	Add 15 per cent. for small and unreported fires	3,245,775
	Total	$24,884,275

Total fires reported, 446.
Eleven of above fires reported as incendiary; loss, $253,000.

Digitized by Google

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Arkansas.

1. Construction of Contract.

Where the terms of the policy of insurance are unambiguous, they must be construed according to their plain meaning, but where there is an ambiguity, all doubts must be resolved in favor of the insured and against the insurance company.

2. Same—"Chattel Mortgage."

Where the owner of a sawmill and lumber, covered by insurance policies, providing that they should be void if the personality was incumbered by chattel mortgages, executed a written agreement, reciting that he was indebted to a third person and an agreement that all lumber sawed at the mill should be the property of the creditor and shipped in his name, and also reciting that as one C. desires to buy the lumber on hand, the parties agreed that C. should purchase it with the understanding that the title should remain in the creditor until the debt was paid, the agreement was not a chattel mortgage, which is defined as a bill of sale with a defeasance clause incorporated in it, and therefore it did not fall within the conditions of the policies.

Judgment for plaintiff in the Circuit Court, Polk County, here affirmed in the Supreme Court of Arkansas.

MONONGAHELA INSURANCE CO. ET AL VS. BATSON,
163 Southwestern, 510. (January 26, 1914.)

1. Proof of Loss—Waiver.

Where the adjuster for the company denied all liability and refused payment under the policy, such act constituted a waiver of the furnishing of a proof of loss required by the policy.

2. Non-waiver Agreement—Effect as to Waiver of Proof of Loss.

A non-waiver agreement between insured and the adjuster for the company, stipulating against waiver by the adjuster's action in investigating the cause of the fire, and ascertaining the amount of the loss, did not avoid the effect of a waiver of a proof of loss by the adjuster's denial of any liability, since such denial of liability was inconsistent with the further requirement to furnish proof of loss.

3. Iron-safe Clause—Substantial Compliance.

Under the statute of Arkansas providing that only substantial compliance is essential with the iron safe clause, it is sufficient if a set of books is kept and preserved until after a fire from which the quantity and value of the lost or damaged property can be ascertained with reasonable certainty.

4. Same—Same.

Under the statute of Arkansas making a substantial compliance with the iron safe clause sufficient, the requirement in such a clause that the insured keep an account of cash sales, was substantially complied with when he kept inventories of purchases, an account of credit sales and collections, deposited the cash received, and kept a bank account on his books, since such bank account afforded information as to cash receipts, and a deduction of accounts against customers from the cash account would disclose the amount of cash sales.

5. Same—Instructions to Jury.

In an action on a policy containing an iron safe clause, instructions to the jury requiring a literal compliance with such clause and ignoring the statute making a substantial compliance sufficient were properly refused by the trial court.

6. Same—Request for Instructions.

Where instructions as to the iron safe clause were general, but the attorney for the company failed to request specific instructions to the jury thereon, he could not complain on appeal that the instructions were too general.

7. Same—Instructions to Jury.

Instruction to the jury that plaintiff was thereby required to make an itemized inventory of stock within thirty days, and preserve it in an iron safe, to be produced on request, after a loss, that plaintiff was required to show compliance therewith by a fair preponderance of the testimony, was not objectionable as singling out the issue of failure to make such inventory, or as impressing on the jury that it was the only issue as to non-compliance with the iron safe clause.

8. Authority of Agent—Apparent Authority.

Where an insurance company held out its soliciting agent to insured as its agent, with general authority to do the things constituting an alleged waiver of the iron safe clause, it was bound by his acts, notwithstanding the fact that they may have been beyond the actual scope of his authority.

Judgment for plaintiff in the Circuit Court, Monroe County, here affirmed in the Supreme Court of Arkansas.

QUEEN OF ARKANSAS INSUR. CO. VS. MALONE,
163 Southwestern, 771. (February 2, 1914.)

California.

1. Sole and Unconditional Ownership.

Where one has made a contract of sale of property, though it be not recorded, on which the purchaser has made payment, and under which he has entered into possession, he is not the sole and unconditional owner, as required by a fire policy thereon, taken out by him.

2. Same—Power of Soliciting Agent—Waiver of Condition.

Condition of a fire policy, that it be void if insured by not sole and unconditional owner, cannot be waived by knowledge and representation of a mere soliciting agent; it being only a general agent who can waive conditions, notwithstanding the provisions of the policy that no condition of it can be waived by any agent except by endorsement thereon.

Judgment for plaintiff in Superior Court, City and County of San Francisco, here reversed in Supreme Court of California.

SHARMON VS. CONTINENTAL INS. CO. OF THE CITY OF NEW YORK,
138 Pacific, 708. (January 16, 1914.)

Georgia.

1. Arbitration and Award—Impeachment of Award.

Where the policy provided that, in case of any disagreement as to the amount of loss, the same should be ascertained by two appraisers, each party selecting one, and that these appraisers should select an umpire and then estimate and appraise the loss, and if they were unable to agree, the difference should be submitted to the umpire for his determination, and the award in writing of any two of the three thus selected should determine the amount of the loss, and the parties made an agreement in writing to appraise the property for the purpose of ascertaining and fixing the amount of sound value and damage only to the property, with provision that the agreement should not determine, waive or invalidate any other right of the parties, and that the company should have the option to take all or any part of the property or to repair, rebuild or replace the property damaged, and the question of the damage or loss was accordingly submitted to two persons, who selected a third person, and these persons rendered an award, not exceeding the authority given to them in the submission and in strict accordance therewith, the trial judge correctly held that the appraisers would not be heard to impeach their own findings.

2. Same—Determination of Loss—Effect of Award.

Where the policy bound the company to pay to the insured the amount of loss which he had sustained, and the insured's loss represented the difference between the value of the property before the fire and its value immediately thereafter, and the purpose of the submission to the appraisers into which the parties entered was to fix the amount of the loss, the effect of the award made by the appraisers was to fix the amount of the insured's loss, and as it was unambiguous and in strict accordance with the agreement of submission, it was binding upon the parties.

3. Same—Impeachment of Award—Direction of Verdict.

Where there was no proper evidence offered attacking the award for fraud or for any other reason for which it could be impeached under the law, it was not error for the trial court to direct a verdict in favor of the insured in accordance with the construction placed upon the award by the trial court.

Judgment for plaintiff in City Court of Savannah, here affirmed in the Court of Appeals of Georgia.

EBERHARDT VS. FEDERAL INSURANCE COMPANY.
80 Southeastern, 856. (December 9, 1913. Rehearing denied February 4, 1914.)

Digitized by Google

Illinois.

1. Other Insurance Clause—Avoidance of Policy—Provisions of Policy—Mortgagor and Mortgagee.

Where the policy on mortgaged property provided that it should be void if the insured should procure any other insurance, and that the insurer should not be liable for a greater proportion of the loss than the amount the policy should bear to the whole insurance on the property, and the mortgages on the property required the mortgagor to insure the property for the benefit of the mortgagee and upon her failure authorized the mortgagee to procure insurance, and the mortgagee procured insurance though the mortgagor had obtained the policy in question, but upon being informed of that fact promised to cancel his policy, the existence of the policy procured by the mortgagee must be disregarded, and it did not avoid the policy procured by the mortgagor, and there could be no contribution between the two insurance companies.

2. Foreclosure Proceedings—Breach of Conditions—Waiver by Company.

Where the policy provided that it should become void if, with the knowledge of the insured, foreclosure proceedings should be commenced, the insurance company waived a breach of the condition where, upon notice of the commencement proceedings, it neglected to cancel the policy.

3. Change of Title—Effect of Judgment—Avoidance of Policy.

Where the policy provided that it should be void, if any change should take place in the interest, title or possession of the insured, the rendition of a judgment against the owner of the insured property does not avoid the policy, for the mere rendition of a judgment against the owner of property does not transfer title, although it may create a lien.

4. Evidence—Schedule of Assessors.

An assessor's schedule giving the valuation of the insured property is not admissible as evidence on the question of value, where it did not appear that the insured made any return of her property for assessment that year, or that the schedule was prepared by her agent.

Judgment of Appellate Court of Illinois, Third District, affirming judgment for plaintiff, in the Circuit Court, McLean County, here affirmed in Supreme Court of Illinois.

KELLEY VS. PEOPLE'S NATIONAL FIRE INS. CO.,
104 Northeastern, 188. (February 21, 1914.)

Iowa.

1. Authority of Agent—Adjustment of Loss—Waiver of Proof of Loss.

Where an agent was recognized by the company as its representative in dealing with the insured in adjusting a loss, the whole matter having been placed in his hands, and when produced as a witness for the defendant he testified directly to his official connection with the transaction, without any denial or repudiation of his authority by the company, the company could not sustain the contention that he had no authority to waive a clause of the policy requiring production of verified proofs of loss within 60 days.

2. Same—Same—Same.

Where the policy required verified proofs of loss within 60 days thereafter, and the fire having occurred on November 11, 1911, the insured promptly reported the same to the agent of the company, who immediately filed proofs on company's blanks but without an accompanying affidavit, and the matter was placed in the hands of an adjuster, who led insured to believe that the loss would be adjusted, and as late as January 13, 1912, 2 days after the 60 days period had elapsed, the company's home office informed the counsel of insured that it was writing the adjuster on the subject, and that he would doubtless take the same up with them, and on February 5, 1912, the adjuster ended the negotiations by declaring for the first time that it would take no action regarding a settlement, stating as the sole reason therefor that the fire was of incendiary origin and nothing had been done to explain the matter, such acts constituted a waiver of plaintiff's obligation to furnish verified proofs within 60 days.

Judgment for plaintiff, District Court, Monroe County, here affirmed in the Supreme Court of Iowa.

TEASDALE VS. CITY OF NEW YORK INS. CO.
145 Northwestern, 284. (February 11, 1914.)

Kentucky.

1. Authority of Agent—Parol Contract of Insurance.

An insurance agent, having authority to solicit insurance, accept risks, to agree on and settle the terms of policies, and to issue and renew policies, has authority to make the preliminary parol contract of insurance binding on the insurance company whereby the company is either to issue a policy or a new one about to expire.

2. Same—Same—Contract to Renew Policy.

While a parol contract to renew a fire policy need not be as certain and definite as an agreement to issue a new policy, yet there must be a definite agreement to issue a policy of insurance.

3. Same—Same—Parol Agreement to Renew Policy—Evidence.

Where the evidence was insufficient to show a contract to renew a policy of insurance, the trial court properly directed a verdict in favor of the company.

4. Same—Same—Evidence—Custom.

On the trial of the action the fact that it was customary for the agent of the insurance company to renew the insured's policy and to wait several months before collecting a premium was relevant only to the question of waiver of payment of premium and was not of itself sufficient to constitute a contract to renew a policy of insurance.

Judgment for defendant in Circuit Court, Lyon County, here affirmed in the Court of Appeals of Kentucky.

GRESHAM VS. NORWICH UNION FIRE INSURANCE SOCIETY,
163 Southwestern, 214. (February 11, 1914.)

1. Authority of Agent.

An insurance agent having authority to solicit insurance, settle the terms of insurance, and to issue and renew policies, has authority to make a preliminary parol contract to issue or renew a policy about to expire.

2. Same—Sufficeincy of Evidence.

In an action on a fire policy the evidence was sufficient to sustain a finding that the agent of the insurance company made a parol contract to renew the policy of insurance.

3. Same—Appeal and Error.

In an action on a fire policy the finding of a jury on a question of fact will not be interfered with on appeal merely because it is not supported by as much evidence as there was evidence against it.

Judgment for plaintiffs in the Circuit Court, Woodford County, here affirmed in the Court of Appeals of Kentucky.

FIREMEN'S FUND INS. CO. OF SAN FRANCISCO, CAL., VS. SEARCY ET AL,
163 Southwestern, 1103. (March 6, 1914.)

Louisiana.

1. Underwriters' Insurance Policy—Action on Same—Jurisdiction of Trial Court.

Where the policy purports to have been issued by "the persons, firms and corporations known as the Globe Fire Underwriters, being subscribers at the Insurance Exchange, St. Louis, Mo.," and in it they declare that they "do severally, each for himself, or itself, and not jointly, no one being bound for any other, hereby insure" the lumber company, for which plaintiffs are the receivers, and the policy provides that no suit shall be begun for the recovery of any claim upon this policy against more than one of the underwriters at any time, and that a final decision in such suit shall be taken as decisive of the similar claim, so far as the same may subsist against each of the other underwriters hereon, absolutely fixing his liability in the premises, and each of the underwriters hereon, "in consideration of this entire stipulation, so far as he is or may be individually concerned, expressly agrees to accept and abide by the result of such final decision, in the same manner and to the same effect as if he had been the sole defendant in a similar suit . . . as to a similar claim against him, so far as the same may subsist," the several underwriters are not thereby subjected to the jurisdiction of courts other than those of their domiciles, nor are they obligated thereby to subject themselves to the jurisdiction of such courts, and hence the defendants, residents of Missouri and without agents or business in Louisiana, were not subject to the jurisdiction of the courts of Louisiana.

2. Same—Same—Waiver of Process.

Where certain defendants were served with citation and ap-

Digitized by Google

peared and filed exception, and the evident and sole purpose of the exception was to deny the efficacy of the citations to bring the defendants into court, the contention that it amounts to a waiver of citation is without merit.

Judgment for defendants, in Third Judicial District Court, Parish of Bienville, here affirmed in Supreme Court of Louisiana.

REYNOLDS ET AL VS. GLOBE UNDERWRITERS OF ST. LOUIS, MO.
64 Southern, 396. (February 2, 1914.)

North Carolina.

1. Loss Caused by Railroad—Payment to Insured—Subrogation to the Rights of Insured.

Where an insurance company which has paid a loss to the insured is subrogated to the rights of the insured as against railroad company responsible for the destruction of the insured property, the right of subrogation is limited by the rights of the insured against the railroad company, there being no privity or legal relation between the insurance company and the railroad company, so that every right the insurance company can acquire must come through the insured, and is subject to every defence and limitation which could be interposed against him.

2. Same—Same—Recovery by Insurance Company.

Where an insurance company has paid a loss caused by a fire set out by the negligence of a railroad company and the owner thereafter collects damages against the railroad company, the insurance company cannot maintain an action against the railroad company to compel it to make good its loss.

3. Same—Same—Subrogation of Insurance Company—Limitations.

Where an insurance company paid a loss on property destroyed by the alleged negligence of railroad company, its right of subrogation to the owner's cause of action against the railroad company accrued for the purpose of determining the bar of limitations, at the time of the loss, and not at the time of the payment of the policy.

4. Same—Same—Payment of Loss by Railroad Company—Fraud.

Where a railroad company paid for the destruction of insured property, only at the end of a lawsuit wherein judgment had been pronounced against it in favor of insured, such payment was not in fraud of insurance company even though it had paid the loss under the insurance policy.

Judgment for plaintiffs in Superior Court, Wayne County, here reversed and remanded in the Supreme Court of North Carolina.

FIDELITY INSURANCE CO. ET AL VS. ATLANTIC COAST LINE R. R. CO.,
80 Southeastern, 1069. (March 11, 1914.)

Oregon.

1. Forfeiture of Policy—Fraud of False Swearing.

Policies of insurance become void in case of fraud or false swearing by the insured as to any matter relating to the insurance or of the subject thereof, whether before or after loss, but only when it is done wilfully and knowingly, with the effect of defrauding the insurer.

2. Same—Same—Waiver.

Where an insurance company denies liability upon a specific ground, other grounds of forfeiture at the time within the insurance company's knowledge, including false swearing by the insured, are waived, if the insured has taken action pursuant to the attitude taken by the insurance company.

3. Presumption—Statutes of Oregon.

Under the statutes of Oregon (L. O. L., Sec. 795), defining a presumption as a deduction which the law expressly directs to be made from particular facts, and (Sec. 93) naming presumptions as a species of evidence, the presumption in an action on an insurance policy that the insured is innocent of false swearing is evidence to be submitted to the jury.

4. Appeal and Error—Discretion of Trial Court—Admission of Evidence.

In an action on an insurance policy, the discretion of the trial court in admitting opinion evidence, as to the value of merchandise insured, of a witness who had kept books for insured and assisted the adjusters in their work, and a witness who had considerable experience in buying goods of the kind carried by plaintiff, and who was a frequent business caller at the insured's place of business, and acquainted with the quantity and character of his stock of goods, will not be disturbed on appeal.

Judgment for plaintiff in Circuit Court, Multnomah County, here affirmed in the Supreme Court of Oregon.

WARD VS. THE QUEEN CITY FIRE INSURANCE CO. OF SIOUX FALLS, S. D.,
138 Pacific, 1067. (February 17, 1914.)

Texas.

1. Avoidance of Policy—Concealment of Material Facts.

The failure to communicate to the insurance company, upon insuring a sanitarium, the fact that the cook at the sanitarium, because of a personal grievance against the manager, and not because of any hostility to the institution, threatened to burn the sanitarium, would not avoid the policy as a concealment of a material fact concerning the subject of the insurance, especially where the trouble between the cook and the manager did not continue and he afterward sold the sanitarium.

2. Same—Same—Evidence.

On the trial of the action the evidence was sufficient to sustain a finding that statements as to threats to burn the sanitarium which was insured had not been communicated to the insured where he applied for a policy.

3. Same—Warranties as to Occupation.

Where the policy insuring a building occupied as a sanitarium contained provision, "while occupied as the Park Terrace Sanitarium," in absence of provisions qualifying such intent, it constituted a warranty that the building would be occupied as a sanitarium during the term of the policy.

4. Same—Same—"Occupied."

As used in a fire policy, the term "occupied" implies a natural use by some person according to the purpose for which it is designed, and does not imply that some one shall remain in the building all of the time without interruption, but merely that there shall not be a cessation of occupancy for any considerable length of time.

5. Same—Same—Occupation of Building Insured.

Where, during the months preceding a fire, there was no attending physician, matron, or servants, and no facilities for heating the building, which then only contained three people, who were not authorized to receive patients or work for them, and who left about twenty-six hours before the fire, after which time the building was in charge of a watchman, the sanitarium, which consisted of some twenty-two rooms and several cottages, cannot be said to have been "occupied" during the months preceding the fire.

6. Same—Same—Subrogation of Mortgagee.

The rights of a lien holder and of the insurance companies under a provision in a fire policy that, wherever the company shall pay the mortgagee for any loss and claim that no liability existed toward the insured, the company should be subrogated to the rights of the party receiving payment, were not effective by the payment of premium by the mortgagor.

7. Same—Same—Same.

Where the parties to a fire policy understood that a provision that, whenever the company paid the "mortgagee" any sum for loss and claimed that, as to the mortgagor or owner, no liability existed, the company should be subrogated to the rights of the party receiving payment as to all collateral securities, was intended to cover a mechanic's lien on the premises, the insurance company upon paying such lien or claim became subrogated to her rights as against the mortgagor.

Judgment for plaintiff in the District Court, Bexar County, here affirmed as to two impleaded defendants and reversed and remanded as to the other defendants in the Court of Civil Appeals of Texas, San Antonio.

WASHINGTON FIRE INSURANCE CO. ET AL VS. COBB ET AL.
163 Southwestern, 608. (January 7, 1914. Rehearing denied, February 18, 1914.)

The Cork Industry in Spain.

Seventy per cent of the world's cork is produced in Spain and Portugal. According to the best information obtainable, there were produced in Spain during 1912 approximately 78,000 short tons of cork, of which 45,780 tons came from Seville consular district, 12,650 tons from Cataluña and Castellon, 7,110 tons from Galicia, and 3,460 tons from the two Castile Provinces. It is estimated that the cork growers received an average of $57.90 per ton for this product, or $4,516,200 for the entire quantity produced in Spain. The total number of cork factories in Spain is 892, in 107 towns of the Kingdom. These factories produce for export 8,964 tons of cork, 764 tons of small squares, 583 tons of other manufactured cork, and 50,198 tons of corkwood and cork waste, of which products Seville exports 15,110 tons. The total value of the cork exports of Spain during 1912 was $9,553,969, divided as follows: Corkwood, $528,810; small squares, $356,229; corks, $7,864,299; other manufactures, $49,783; cork waste, $754,848.

Digitized by Google

Personal.

AGENCY APPOINTMENTS

Ætna of Hartford: Frank W. Brodie, special agent in Connecticut, Western Massachusetts and Vermont.

Delaware Underwriters: E. M. Liljevlad, special agent in Ohio and Indiana.

Delaware Underwriters of Philadelphia: A. W. Kerst, special agent for Wisconsin; Charles C. McClure, special agent for Minnesota, with headquarters at St. Paul.

Fidelity and Deposit: Smith V. Fish, Michigan manager for accident and health lines, with headquarters at Detroit.

Fire Association of Philadelphia: R. W. Schimmell, state agent for Minnesota.

Germania Fire: Frank J. Hansen, transferred from North and South Dakota to Minnesota, succeeding R. J. Schimmel, resigned.

Insurance Company of North America: Frank A. Rommell, assistant State agent in North and South Dakota.

Manhattan Life: W. H. Fawler, Jr., general agent at Schenectady; William J. Rice, general agent at Albany.

National of Hartford: H. M. Zweig, special agent in western Pennsylvania, with headquarters at Pittsburgh; George F. Cowee, special agent in western New England; George W. Roberts, assistant to special agent Lewis in Boston, succeeding Mr. Cowee.

National Life of the U. S. A.: Mr. C. E. McFarland, superintendent of the weekly life, health and accident department, at New Orleans; T. J. Denton, W. S. Whitworth and J. L. Parker, superintendents of the weekly life, health and accident department at Birmingham, Ala.

Northwestern National: J. S. Berkshire, special agent in Texas.

Ocean Accident and Guarantee: S. L. Russell & Co. and Smith & Clise,

Reliance Life: Doolittle & Hulton, general agents at Warren, Ohio.

Standard Accident: Sohmer & Harris, general agents for New York for industrial accident and health lines.

Union Central Life: Richard H. Levy, manager for St. Louis, Mo. of Seattle, joint agents for the State of Washington.

Union of Paris: Gordon Williams, special agent for Florida; Lowry & Prince, Tampa, Fla.; Elmore & Elmore, Jacksonville, Fla.

Mr. Jacob Pfeiffer, special agent of the American Surety Company, has been transferred from the home office to the Pittsburgh branch, with headquarters in the Frick building. Mr. Pfeiffer was formerly superintendent of agencies of the Title Guaranty and Surety, of Scranton.

Special Agent Frank W. Young has been transferred by the Commercial Union from Albany to Syracuse, and will cover the central part of the State. George M. Tompkins, of Albany, will supervise the eastern section and Charles M. Tobin, of Rochester, the western part.

Mr. Charles McClellan Logue, founder of the Philadelphia agency firm of C. M. Logue & Bro., died in that city suddenly on March 28, aged 51 years. Besides being prominent in the insurance business, he was a well-known Mason, club man and financier.

Col. E. G. Halle, who has been a familiar figure in the Western Insurance Bureau meetings since organization, will be absent from the Washington meeting next week, on account of ill health. He will not be a candidate for re-election as chairman.

President Henry Evans, of the Continental, will sail with his family on the *Olympic* on April 18, for their annual automobile trip on the Continent.

Mr. C. P. Pinkston, of the local agency firm of Pinkston & Church, at Corsicana, Tex., died from heart failure March 19; aged 50 years.

Mr. B. L. Burwell has been appointed agency manager of the United States Health and Life of Atlanta.

President John R. Hegeman, of the Metropolitan Life, departs early this month on a visit to Europe.

Mr. Cyrus W. Neal has resigned as secretary of the Sterling Fire of Indianapolis.

Obituary.

Oscar B. Ireland.

Mr. Oscar B. Ireland, who for forty-two years had been a prominent official of the Massachusetts Mutual Life, died on March 1 at his home in Springfield, Mass., as the result of an attack of pneumonia.

Mr. Ireland was born in New York City, October 28, 1840, and was graduated from the College of the City of New York in 1859. During the Civil War, from 1863 to 1865, he served in the Federal signal corps, where he was commissioned second lieutenant by President Lincoln, and served in the department of the south, in the Shenandoah valley and with the army of the James. His service and rank entitled him to membership in the Loyal Legion.

He came to Springfield to begin his long service as actuary of the Massachusetts Mutual Life on June 1, 1872. He served continuously in this office, and in 1909 he was elected also second vice-president, and held both offices until his death. During this long service he became very well known among life insurance men and he was at one time president of the Actuarial Society of America. He was a member of the International Society of Actuaries and greatly enjoyed attending, with his wife, a meeting of that society in Amsterdam, Holland, in the late summer of 1912.

The announcement by President McClench says: "Not without deep sorrow comes the severance of the intimate and long-existing bond of daily association with so rare a co-worker and comrade as was Mr. Ireland. He was in years of service the senior official of this company, and therefore was honored. He was a master of his profession, and therefore was revered. He was a happy, genial business and social comrade, and therefore was loved. The home office of the Massachusetts Mutual will deeply mourn his departure. Oscar B. Ireland served his country in the Civil War. He served the city of Springfield in many activities. He served his company long, ably, faithfully. He was a good husband, he was a good father, he was a good friend. This tribute we sorrowfully pay to one who was a Man!"

Conrad Witkowsky.

Mr. Conrad Witkowsky, for more than forty years Western general agent in Chicago for the Hamburg-Bremen Fire of Germany, died April 2, at his home in Chicago, after a long illness. He was seventy-five years old and had been confined to his home for nearly a year. Hope for his recovery having been abandoned, he retired March 11 as Western manager of the company and the department was removed to New York.

Mr. Witkowsky was born in Posen, Prussia, in 1839, but came to this country with his parents while a child. He entered the mercantile business in Chicago, leaving it in 1866 to enter the insurance agency of S. M. Moore & Co. In 1873, as a partner in the firm of Witkowsky & Affeld, he became Western manager of the Hamburg-Bremen. He was one of the few surviving charter members of the Western Union and was for many years chairman of its membership committee.

Mr. Witkowsky is survived by a widow and three children, to whom the condolences of fire insurance underwriters generally will be extended. One son, James A., was associated with him in business.

Communications.

A Reply to Criticisms of Mutual Liability Insurance.

Editor Weekly Underwriter:

I have read with interest and some amusement, an article which appeared in the *New York Journal of Commerce* on April Fool's Day.

It gives up about one-third of its space to a dissertation upon mutual insurance. I can only explain some of the assertions made in this part of the article by considering the date on which it made its appearance. It is not, however, the good-natured joke of April Fool's Day. It is a serious and desperate attack, and indicates the alarm that is felt by the stock companies who see springing up in the field which they have monopolized for so many years, groups of employers who are tired of the extortion practiced upon them by stock insurance companies.

Digitized by Google

Why did the legislature provide in the Workmen's Compensation Bill the alternative of mutual insurance? Mutual insurance is not new. It is only new in the State of New York as applied to employers' liability, or Workmen's Compensation Law. The answer is that in all the other States, where workmen's compensation laws have been adopted, the conduct of the stock companies in fixing rates has been scandalous. The employers confronted with the new system of compensation for industrial accidents, evidently a more expensive system, without the means of estimating the probable cost, have naturally shrunk from carrying their own insurance, and have been willing to pay any rate demanded, so long as it would determine definitely their liability under the new law for a given period of time. In every case, the stock companies have taken advantage of this panic among the employers and extracted from them a tax for premiums unheard of up to that time, and never again after the first year or two, when the public, incensed by the abuse, refused to renew their insurance at such rates. But the harvest was reaped, and the stock companies rejoiced.

The Legislature of New York did not propose that the employers of their State should suffer thus, and it has provided the means of escape by insurance in mutual companies. The mutual company is merely a form of self-insurance, under which the cost of accidents to the employer is distributed over a longer period of time than is the case in literal self-insurance. The employers of labor in New York have indicated to their representatives in the Legislature that they are tired of seeing profits made out of the suffering of their workmen. They are tired of the economic waste under the system of stock insurance. It is their desire to keep down the cost to themselves of unavoidable accidents, in order that they may have the more to give to the persons who suffer most by reason of such accidents.

The stock liability insurance companies are certainly to be congratulated upon their efforts in the Legislature to keep out of this State their natural enemies, mutual companies. Efforts have been made during the last twenty-five years to secure legislation which would enable mutual companies to be formed in this State and responsible mutual companies from foreign States to be admitted here, but not until this year have the people spoken. *Organized Labor* at last has seen the necessity for mutual insurance, and has demanded that their employers should have it.

And when employer and employe are agreed that certain legislation should pass, the counter-activities of the stock insurance companies cease to be effective.

The article referred to makes a special attack upon the assessment feature of a mutual insurance company. It somehow gives you the impression that there is no advantage to be derived by the employer from the liability of its members to assessment. It seems to suggest that it exists merely as a sort of penalty, or punishment for becoming a member of a mutual company. It does not occur to the casual reader that circumstances might arise under which any member would be very glad indeed to feel that his associates would come to his relief in case of a serious loss. It is insinuated by the article that there is no limit to the number of assessments, but if the writer had been honest he would have admitted at least that the amount of the assessment of any member may be limited, and is limited, by the by-laws of the company, as provided in Section 189 of Chapter 832 of the Laws of 1913. The contingent liability to assessment in any one policy shall not be less than an amount equal to and in addition to the premium paid on such policy; neither shall it be more if the association or the company decides to put that limitation upon it in its by-laws.

But, what is the practical risk of assessment of members in mutual employers' liability insurance companies? Let us take, for example, the history of the American Mutual Liability Insurance Company, of Massachusetts, which has conducted a business of employers' liability in that State, and many other States, ever since 1887, operating under the workmen's compensation law since the first one was passed in July, 1911, in New Jersey, and, as such laws were passed, in the States of New Hampshire, Rhode Island, Connecticut, Wisconsin, Illinois and others. What assessments has that company made upon its members during the last twenty-six years? This is the *truth* of the matter, which may be verified by examining the reports of the Insurance Department of the Commonwealth of Massachusetts: *That company has never made an assessment of one dollar.* It has never, in any year, failed to meet all its losses and expenses out of the cash premiums paid. Not only is this true, but it has returned to every employer, without a single exception, a portion of this cash premium in the form of a dividend, at the expiration of the policy, and that dividend has never been less than 30 per cent. In some years it has been much higher. Still more, it has accumulated a surplus above all its legal liabilities, including reserve for undetermined losses, computed according to the laws of Massachusetts and New York, between $500,000 and $600,000. It paid an extra dividend last year out of this surplus. These are facts, and not predictions of an anxious advocate of stock insurance. The law under which mutual companies are incorporated in New York provides in Section 191 that such companies shall make reserves sufficient to insure and secure the payment of its policy obligations. It prescribes the method by which these reserves are to be made, and it also practically provides that the responsibility is upon the Insurance Department of the State of New York to see to it that the reserves made by the mutual companies are adequate for deferred payments, under the compensation law. Again, it is stated in the April Fool's Day article, that "less than 5 per cent. of the employers have availed themselves of mutual insurance in the State of Michigan, *and the same may be said of employers in other States.*" What of the State of Massachusetts? What proportion of the fifty millions of dollars of cotton spinners and cotton weavers in Massachusetts are insured in mutual companies? Seventy-four per cent. of the payroll of that industry is insured in one mutual company alone—the American Mutual Liability Insurance Company referred to above—and there are two other mutual companies and about twenty-five stock companies doing workmen's compensation business in the State of Massachusetts. If there is any doubt about the accuracy of this statement, a letter addressed to the Insurance Department of the Commonwealth of Massachusetts will no doubt receive a respectful reply.

I have wondered whether there is any employer who will attach importance to the insinuation that his ability to borrow money from a bank *"upon approved security"* will be impaired by insurance in a mutual company. Such employer should apply for information on this point to his bankers, and not to an itinerant insurance broker.

CHARLES E. HODGES,
President Amer. Mut. Com. Co. of N. Y.

New York, April 2, 1914.

Official Reports.

New York Life, Casualty and Miscellaneous Preliminary Report.

On Monday of this week Superintendent of Insurance Emmet forwarded to all insurance companies, insurance departments and insurance periodicals copies of the pamphlet of statistical tables compiled annually by the New York Insurance Department, covering in detail the financial operations during 1913 of the 400 life, casualty, fidelity and surety, real estate title and mortgage guarantee insurance companies, fraternal orders, asessment life and accident associations and town and county co-operative fire insurance corporations reporting to the department.

This publication shows the condition of the various insurance organizations included therein on December 31 last, and is published in advance of the department audit of the annual statements, in order that the public may have the earliest possible information as to the results of the business transacted by these corporations in 1913. Part I of the regular department report, covering fire and marine business, is now being prepared for printing and will be issued at an early date; in consequence thereof no data relating to such companies are included in the above publication. Copies of the pamphlet may be obtained by any person desiring same upon application to the department at Albany.

The tables are preceded by the following announcement:

The figures submitted in this preliminary report, based upon the annual returns of life, casualty, credit, fidelity and surety, title and mortgage guaranty insurance companies, assessment life and accident associations, fraternal orders and town and county co-operative fire insurance corporations for December 31 last, are compiled from the financial statements of such corporations and associations, as filed, and are published subject to the future

Digitized by Google

audit of the department. After audit the abstracts of the statements and statistical tables based thereon will be published in the regular volumes of the report, Parts II, III and IV. Necessarily the publication of the life report (Part II), owing to the voluminous returns to be made by those companies under the amended Insurance Law and the time required to audit, tabulate and abstract the statements of that class of corporations, will be delayed for some time. On account thereof, and believing that the additional data above referred to will be found useful to those interested in the various insurance corporations and associations, this preliminary report is now issued.

W. T. EMMET,
Superintendent of Insurance.

The figures of the life insurance business in New York for 1913 are given as follows, the aggregates including the transactions of eleven New York State companies, twenty-three companies of other States, and one foreign company:

Insurance in force Dec. 31, 1912		$2,905,266,124
Insurance issued during 1913		444,830,252
Terminated in 1913	$281,659,314	
Insurance in force Dec. 31, 1913		3,068,437,062
Increase in 1913	166,101,392	
Decrease in 1913	2,930,454	
Net increase		163,170,838
Premiums received		111,090,616
Claims incurred		41,591,628
Claims paid		41,649,641

The business of the casualty and miscellaneous companies is not segregated as to New York State, but the following aggregates for the country are interesting: The total assets of sixteen New York State casualty, credit, fidelity and surety companies are $49,596,992.22, and of forty-six other State and foreign companies are $120,565,890.29, a total of $170,162,882.51. The total liabilities are, respectively, $26,784,509.08 and $66,205,596.62, and the net surplus, respectively, $9,112,483.14 and $24,960,018.67. The total income was likewise $34,941,749.36 and $100,083,626.27; the losses paid, $13,369,632.38 and $40,615,204.70; and the total disbursements, $32,529,699.37 and $95,602,334.71. In only two cases were the company disbursements greater than the income for the year.

The insurance in force in New York State among seventy-four fraternal orders amounts to $6,103,259,290, which is an increase of $9,920,421 over the amount in force at the end of 1912.

Miscellany.

Stock and Mutual Liability Insurance.

In a circular recently prepared for use among employers by the agents of the Massachusetts Bonding and Insurance Company, the text of which was printed in the *Journal of Commerce* on Wednesday of this week, George E. Wetzel, New York liability department manager for the company, discusses at some length the situation as affected by the entrance of the new mutual companies as permitted by the law. Mr. Wetzel says in this regard:

Chapter 832, Laws of New York, 1913, authorizes the organization of "Mutual Employers' Liability and Workmen's Compensation Corporations."

The corporation is formed by thirteen or more persons for the purpose of insuring employers of labor against loss sustained by reason of industrial accidents to workmen in their employ. The corporation may transact business after forty employers, employing not less than 2,500 workmen, have agreed to take insurance therein, and after a license has been issued by the Superintendent of Insurance. Members of the corporation are liable to assessment for an amount not less than the cash premium named in the policy. Such liability is limited to losses and expenses incurred during the period of membership and is to continue for a period of one year after the expiration of the policy.

A mutual company on the basis permitted by this law may start business without a dollar of assets that may be called its own. Without members it falls to the ground. It may by assessment double the premium at any time, and not a word is said in the law about the maximum number of assessments. If the losses incurred use up the advance premium and assessments, members are obligated to settle outstanding claims, and this can be done only by levying additional assessments. If these are not made, then the company must go into bankruptcy, leaving individual members to pay their own losses.

In the State of Michigan less than 5 per cent. of the employers have availed themselves of mutual insurance, and the same may be said of employers in other States.

FALLACY OF MUTUAL INSURANCE.

Of all mutual companies organized 85 per cent. fail or retire from business. Mutual insurance is not what it is advertised by any means. There is a constantly changing membership, so that where there is a large undetermined liability carried over from year to year, and for many years, as will be the case under this law, the liabilities of the members of to-day will be as millstones about the necks of the members of to-morrow or next year or perhaps forty years hence. A single catastrophe or a bad accident may seriously affect the credit of the best and highest rated employer. Under this law a claim for compensation becomes the first lien on the property of the employer. Business is largely dependent on borrowed money obtained through loans from banks upon approved security. Should mutual insurance be the obstacle in the way of securing a much-needed loan, what happens to the enterprise? Injuries will occur and the claims must be met. If the treasury is empty, assessments will be levied. How many? That is the question.

Desirable business is not obtained without solicitation. Only the undesirable and unprofitable risks seek protection. Risks of essentially the same type differ as respects hazard. Will the employer enjoying an enviable record permit his money to be spent in losses occasioned by a bad risk? If not, trouble may arise when least expected. This question should be weighed carefully by all employers. Mutual companies must have representative employers as directors, which means a sacrifice of time to their own industries. They must engage efficient managers to transact a business which is entirely new and untried in this State. Any compensation plan will long remain an experiment. Why load the experiment of compensation with the experiment of mutual insurance and cause the failure of both?

First National Fire of Washington, D. C.

The report of the examination of the First National Fire of Washington, D. C., has been made public by the New York Insurance Department. The report goes into detail regarding the transactions of the company, and gives the following as the conclusions of the examiner:

CONCLUSIONS.

The findings of your examiner in regard to the most important features of this examination which would seem to merit your attention are as follows:

1. The authorized capital of the company is $1,000,000, of which sum $788,915 has been paid in together with a surplus in a like amount, the aggregate payments totaling $1,577,830. Of this amount the organizers have received as commissions $130,681.76, and have disbursed for expenses the sum of $136,856.47.

2. The net premium income of the company during its nine months' active operation was $336,572.48. The losses incurred amounted to the sum of $134,022.74. The company still owes to policyholders unearned premiums amounting to approximately $180,000. It is true that these results are to some extent due to the reinsurance of the Commercial Fire Insurance Company, but the acquirements of the risks of this company can in no wise serve as an excuse but rather becomes a criticism against the management.

3. The expense ratio is likewise to be commented upon. Disbursements have been made for salaries, commissions, etc., not commensurate with the results obtained.

4. The following figures will serve to show the results obtained during the short period of this company's existence.

Surplus paid in by stockholders		$807,375.50
Increase in book value of real estate		210,940.75
Total		$1,018,316.25
Surplus at date of this examination		459,691.53
		$558,624.72
Assumed value of not admitted assets		60,000.00
Net loss		$498,624.72

Digitized by Google

This net loss of $498,624.72 may fairly be reduced to some little extent by considering the value of the commission equity in the unearned premium reserve and the company's plant. In this net loss is included promotion expense of $273,538.23 and expense of congressional investigation of $39,086.50.

Respectfully submitted,

JOHN E. WATSON,
Examiner.

The report is accompanied by the following stipulation:

STIPULATION.

By the First National Fire Insurance Company of the United States, of Washington, D. C.

In view of the report on examination of the First National Fire Insurance Company of the United States, of Washington, D. C., made by an examiner of the Insurance Department of the State of New York under date of January 27, 1914, it is hereby stipulated and agreed on behalf of the said company, in accordance with the requirement of the New York State Insurance Department, as follows:

1. That expense in the company's management shall be reduced wherever possible.
2. That a plan shall be formulated and carried into effect whereby the general stockholders of the company shall have representation on the board of directors.
3. That the practice of having the same individuals act on the finance committees of both the First National and the Commercial be discontinued.
4. That compensation to officers and directors for services shall be restricted to salaries and the usual directors' fees, and to such commissions as may be paid under the underwriting contract and existing stock sales contracts.
5. That a complete record of fire losses shall be kept so that an examination of same may permit an accurate establishment of the company's liability on such account.
6. That no loan shall be made in the future to officers or directors, either directly or indirectly.
7. That none of the company's securities shall be loaned to banking institutions or to individuals.
8. That the company's share of the income from the Southern Building is to be promptly turned over to it.
9. That on completion of the payment of the company's capital of $1,000,000, due notification thereof shall be given to the New York State Insurance Department, with a verified, detailed statement of the receipts and disbursements covering the entire capital and surplus paid in.
10. That the company will advise the New York State Insurance Department fully in respect to its plans for financing the mortgage obligations maturing in 1915.
11. That no reinsurance contract covering all of the risks of the Commercial Fire Insurance Company or a substantial part thereof shall be entered into between said company and the First National Fire Insurance Company, and that any reinsurance of the business of the Commercial by the First National shall be limited to individual risks in the usual course of business.
12. That the underwriting contract with Robert R. Tuttle shall be surrendered, and that any contract entered into in substitution thereof shall provide as compensation only a stated salary, and contingent commission on net profits, and shall not be adopted until the same has received the approval of the New York State Insurance Department.

IN WITNESS WHEREOF the said corporation has caused this instrument to be executed and its corporate seal affixed this 12th day of March, 1914.

ROBERT J. WYNNE,
President.
F. S. DUDLEY,
Vice-President.
[SEAL] ROBERT R. TUTTLE,
Second Vice-President.
JOHN McKEE,
Assistant Secretary.

Witness:

HENRY E. WILKENS.

Resolved, That the twelve stipulations of the New York Insurance Department, except paragraphs 3 and 12, be immediately complied with and that paragraphs 3 and 12 be complied with on or before June 30, 1914; that the officers of the company be directed to execute this paper in accordance with instructions of the New York Insurance Department, the Assistant Secretary to sign in place of the Secretary; and that a copy of this resolution be attached to and made a part of the stipulation of the New York Insurance Department.

ROBERT J. WYNNE,
President.

Insurance Legislation.

Maryland.

ANNAPOLIS, April 2.—The Hammond workmen's compensation bill passed the Senate on Monday night and will pass the House as soon as it is reached. The McQuaide and Archer bills, which were interposed in the House in an attempt to defeat the Hammond bill, have been rejected, as have all exemption amendments. A constitutional majority is pledged for the Hammond bill.

The legislature adjourns on April 6.

Massachusetts.

BOSTON, April 2.—The Senate has rejected the bill to require the separation of accounts by life insurance companies writing both participating and non-participating insurance.

The new draft of Senate Bill 442, relating to reinsurance, has passed the Senate.

Adverse reports have been made in the House on House Bills 981, relating to unclaimed commissions in the hands of life companies; 1598, to repeal the brokers' license law; 1599, to make the broker the agent of the company, and 2298, to authorize insurance against the explosion of high-pressure tanks.

A reconsideration of the adverse report on the suggestion of the insurance commissioner for legislation regarding reciprocal associations or inter-insurers will be acted on in the Senate on Monday.

The bill to require compensation benefits to be paid at least once a month has been substituted on the floor of the House for the adverse report of the committee.

Senate Bill 456, relating to reinsurance in unadmitted companies, has passed the Senate.

New Jersey.

TRENTON, April 2.—Senate Bill 150, permitting the incorporation of societies to pay funeral benefits, has been signed by Governor Fielder, who has vetoed the bill relating to live stock insurance companies.

The Senate has passed Senate Bill 278, relating to misrepresentation of life policies.

The House has recommitted House Bill 477, limiting reinsurances after having passed it, and has reported House Bill 652, to tax premiums of unauthorized insurance, favorably with an amendment.

The Senate has had favorable reports on Senate Bill 224, amending the schedules of benefits under the employer's liability law; House Bill 581, relating to agents' licenses, and House Bill 323, to license fire loss adjusters.

New York.

ALBANY, March 30.—Following is the status of insurance bills upon final legislative adjournment:

Senate Bill 97 (Rampsberger), requiring that all premium rates of every employers' liability corporation or association, except the State insurance fund, shall be approved by the Superintendent of Insurance. Passed by the Legislature. Assemblyman A. E. Smith's similar bill, House No. 112, died in the Assembly.

Digitized by Google

Senate Bill 118 (Rampsberger), providing that all deposits heretofore or hereafter made with the Superintendent of Insurance, by insurance companies shall be held in trust according to law, without preference or priority to any beneficiary. Passed by the Legislature. Assemblyman Horton's similar bill, House No. 123, died in the Assembly.

Senate Bill 166 (Rampsberger), relative to the revocation of agents' certificates by the Superintendent of Insurance. Died in Senate. Assemblyman Horton's similar bill, House No. 219, passed by the Legislature and signed by the Governor as Chapter 13.

Senate Bill 167 (Rampsberger), prohibiting a health or accident insurance corporation or agent thereof to pay any commission except to an authorized broker for services in obtaining new insurance or collecting premiums in this State, unless a certificate of authority to act as agent has been procured from the Superintendent of Insurance. Died in the Senate. Assemblyman Horton's similar bill, House No. 220, signed by the Governor as Chapter 14.

Senate Bill 267 (Rampsberger), amending the workmen's compensation law by providing that not more than three of the commissioners shall be of the same political party, and further providing that the act shall take effect immediately. Signed by the Governor as Chapter 41.

Senate Bill 293 (Patten), relative to certificates issued by the State Fire Marshal to persons conducting blasting operations. Died in the Senate. Assemblyman McElligott's similar bill, House No. 423, died in the Assembly.

Senate Bill 323 (Wende), providing that the State Fire Marshal shall not have jurisdiction in cities of more than 400,000 inhabitants. Died in the Senate. Assemblyman Warhus' similar bill, House No. 293, died in the Assembly.

Senate Bill 404 (Peckham), providing that no service upon the State Superintendent of Insurance, as the attorney for a foreign fraternal beneficiary society, shall be valid against any such societies when it is required to file its answer, pleading or defense, in less than twenty days from the date of mailing a copy of such service to the society. Died in the Senate. Assemblyman Fuller's similar bill, House No. 603, passed by the Legislature.

Senate Bill 558 (Blauvelt), relative to payment of franchise tax by trust companies insuring titles to real property. Died in the Senate.

Senate Bill 606 (Rampsberger), relative to the issue of certificates of authority by the State Superintendent of Insurance to adjusters of loss or damage by fire. Died in the Senate. Assemblyman Horton's similar bill, House No. 821, passed by the Legislature.

Senate Bill 664 (Wilson), relative to reserves to be kept by employers' liability corporations, etc. Died in the Senate. Assemblyman Gillett's similar bill, House No. 775, died in the Assembly.

Senate Bill 798 (Rampsberger), providing that no insurance corporation, association or fraternal society, and no agent, solicitor, broker or other person shall effect any form of group insurance from the membership of any supreme body, or subordinate body of any fraternal society. Died in Senate. Assemblyman Ferry's similar bill, House No. 1047, died in the Assembly.

Senate Bill 799 (Rampsberger), relative to payments by fraternal benefit societies upon the death of children between the ages of one and sixteen years. Died in the Senate. Assemblyman Ferry's similar bill, House No. 1046, died in the Assembly.

Senate Bill 845 (Rampsberger), authorizing the incorporation of life, health and casualty companies to insure against loss or damage to elevators or other property except by fire. Passed by the Legislature. Assemblyman Horton's similar bill, House No. 1106, died in the Assembly.

Senate Bill 846 (Rampsberger), providing that the expenses of examinations made by examiners and other employees of the State Insurance Department, may be charged against the Department. Died in the Senate. Assemblyman Horton's similar bill, House No. 1105, died in the Assembly.

Senate Bill 907 (Rampsberger), relative to fraternal benefit societies' disability benefits. Passed by the Legislature. Assemblyman Horton's similar bill, House No. 1146, died in the Assembly.

Senate Bill 1001 (Rampsberger), providing that any corporation having less than eighty millions of insurance in force may incur a total expenditure exceeding the limits of expenditure as herein defined by an amount not greater than prescribed percentages of its loading for the preceding calendar year. Passed by the Legislature. Assemblyman Quick's similar bill, House No. 1241, died in the Assembly.

Senate Bill 1002 (Rampsberger), providing for the incorporation and admission of corporations to do the business of reinsurance. Died in the Senate. Assemblyman Walker's similar bill, House No. 1386, died in the Assembly.

Senate Bill 1003 (Rampsberger), striking out the prohibition that the capital and surplus of an insurance company shall not be invested in the stock of any other insurance company carrying the same kind of insurance. Died in the Senate.

Senate Bill 1196 (Rampsberger), relative to certificates of authority of fraternal insurance corporations desiring to enter a foreign state or territory. Passed by the Legislature. Assemblyman Horton's similar bill, House No. 1472, died in the Assembly.

Senate Bill 1200 (Foley), authorizing the incorporation of automobile owners mutual insurance associations. Passed by the Legislature.

Senate Bill 1244 (White), prohibiting mercantile establishments from compelling employees to contribute to benefit or insurance funds. Passed by the Legislature.

Senate Bill 1318 (Foley), amending the workmen's compensation law generally. Passed by the Legislature.

House Bill 338 (Ittleman), relative to cash surrender values, paid-up insurance and extended insurance on prudential and industrial policies. Died in the Assembly.

House Bill 362 (Karitz), relative to the issuance of policies on the weekly or monthly payment plan. Died in the Assembly.

House Bill 458 (Hinman), abolishing the office of State Fire Marshal. Died in the Senate.

House Bill 1117 (McElligott), providing for the merger or consolidation of casualty insurance corporations. Died in the Senate.

House Bill 1495 (Horton), providing for a new standard fire insurance policy. Died in the Assembly.

Virginia.

RICHMOND, April 2.—An error has been discovered in the report of the disposition of Senate Bill 238, defining "12 o'clock noon." The bill was never voted upon. It was reported as passed.

Canada.

ONTARIO, April 4.—The workmen's compensation bill now before the Provincial House contains the following features:

Compensation for total disability calls for weekly payment equal to 55 per cent. of average wage for previous twelve months.

No contributions by employees to funds, directly or indirectly. Heavy penalty to employers in case premiums are deducted from wages.

"Waiting period" set at seven days. Compensation only allowed if worker is off, due to accident, more than seven days.

Burial expenses a straight gift of $75.

Allowance of $20 a month where a widow or invalid husband is sole dependent; $5.00 additional for each child up to 16 years.

Farmers are only employers exempted from operation, according to the bill.

Clerical staffs of all manufacturing concerns included under same liability and rates as other employees.

Board of management to consist of three members, appointed for ten years each.

Board to have exclusive jurisdiction. Its decisions will not be subject to appeal or review in any court, nor can it be restrained in any way by injunction or otherwise.

Employers will be grouped for payments to accident fund.

Board will maintain accident fund with adequate reserves to prevent too heavy burden in future.

Employer will have to notify the board within three days of the accident.

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

(FIRE)

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

NORD-DEUTSCHE INSURANCE COMPANY

OF HAMBURG, GERMANY.

ESTABLISHED 1857

Assets January 1, 1914		$1,439,399.53
Liabilities	" "	579,631.12
Surplus	" "	859,768.41

U. S. BRANCH, 123 WILLIAM ST., NEW YORK

J. H. LENEHAN, UNITED STATES MANAGER

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.

Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.

Specimens of Life, Accident or Health policies cheerfully furnished.

For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES

100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

GERMANIA FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.

INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY 1st, 1913.

Assets	$2,464,562.05
Surplus in United States	1,018,318.63

British America Assurance Co.,

INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA

FIRE INSURANCE

UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W. R. BROCK, Pres. W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.

Digitized by Google

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1914

Total Assets,	$9,154,808.16
Capital Stock,	750,000.00
Net Surplus,	2,558,864.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
59 John Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

The Young Man's Great Opportunity

for success to-day is—salesmanship. Life Insurance selling offers unlimited opportunities for success.

Write us about an agency.

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

RUSSIAN TRANSPORT AND INSURANCE COMPANY
OF 1844
ST. PETERSBURG, RUSSIA

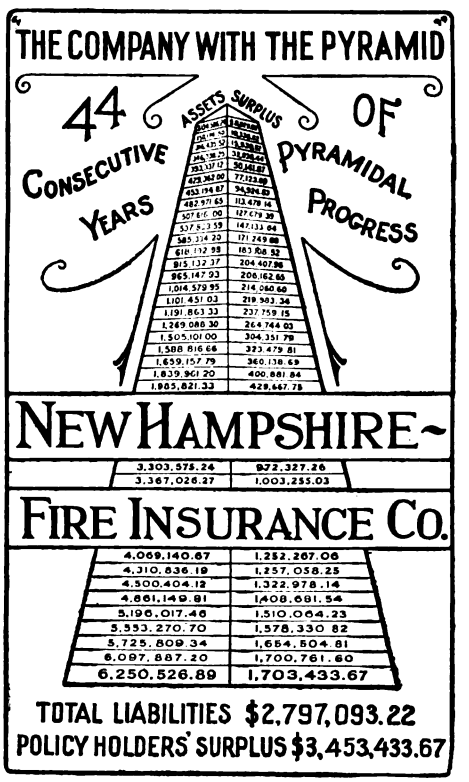
Capital Paid:	$2,502,500.00
Assets	$8,872,692.44

DOUGLAS BROS.

NEW YORK: 123 WILLIAM ST.
CHICAGO: 175 W. JACKSON BOULEVARD

Holding Power of Attorney to accept service and adjust and pay all losses

POLICY-HOLDERS PROTECTED BY SPECIAL DEPOSITS IN UNITED STATES



A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, APRIL 11, 1914. No. 15.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

WE take pleasure in announcing that Mr. Wilfred Whaley Mack, of Chicago, will join the staff of this paper on May 1. Mr. Mack has been associate editor of the *Insurance Field* for nine years, acquiring in that time a wide and valuable acquaintance among insurance men in the West and South, and a broad-gauge vision of the affairs of insurance the country over. The *Insurance Field* says this week:

With genuine regret the *Insurance Field* is called upon to announce the resignation of Mr. W. W. Mack, who has been connected with the editorial staff for several years. Mr. Mack is retiring to become associated with his brother in the conduct of THE WEEKLY UNDERWRITER of New York. Mr. Mack joined the staff of the *Insurance Field* as associate editor in charge of the branch office in Atlanta. Later he was transferred to the Chicago office. He has given uniformly loyal and capable service, and by courtesy and discretion, which he possesses to a marked degree, has won the affection of his associates and generally the cordial regard and confidence of the people in the insurance business.

Mr. Mack was educated at the College of the City of New York and at Cornell University. After a valuable newspaper training on the New York *Sun*, he began his career in insurance journalism with THE WEEKLY UNDERWRITER in 1900. We bespeak for him on his return to this field a hearty welcome from his host of friends whose interests he will continue to serve editorially.

CORROBORATION of the remarks of this paper concerning the situation as respecting the smaller fire insurance companies came swiftly in the announcement last week of the retirement of the County Fire of Philadelphia. This company, which was organized in 1832, has never failed to pay a dividend, with the exception of two years, and its underwriting has been of such a careful kind that it did not lose a dollar in the great San Francisco conflagration. Not long before that fire the officers of the company discussed California as a field for operation, and decided to stay out. It is understood that the cause for retirement is not found within the company, but that some of its stockholders have been hard hit financially in connection with other companies, and the opportunity to recoup through the sale of the County Fire at a good price was taken advantage of. There also comes from the South news of a proposed conference among several small companies to discuss issuing a joint policy. The subject of the small companies remains a live one for consideration.

A PARTICULARLY vicious resolution was introduced on Monday night in the lower House of the New Jersey Legislature regarding industrial life insurance which had the approval—it appears—of a majority of the judiciary committee. It provided for an investigation by a special Assembly Committee of industrial life insurance, which, it alleges in its preamble, is charged with "gross abuses." The committee was empowered to sit during the interval between the present and the next legislative sessions and to compel the attendance of witnesses, production of papers, etc. There is room for strong suspicion that this attack upon an institution of which the State of New Jersey should feel proud as its birthplace, was instigated by a discomfited employe. This is not the first time that mutterings against industrial insurance have been heard in the New Jersey Legislature, but it was well understood then that they proceeded from improper purposes. The character and conditions of the industrial life insurance business were thoroughly threshed out in a legislative investigation in Massachusetts several years ago. It resulted in a complete vindication of the companies. They would have met the issue calmly if it had been made at Trenton and there would have been no doubt of the issue of a fair hearing. The language of the resolution, which was not brought up for a vote, was distinctly offensive, and convicts its authors of malicious intent. If an honest desire to know the truth about the industrial business had been the motive behind the proposition the resolution could have expressed it without showing bias. In view of the Massachusetts judgment the New Jersey House displayed its good sense by scorning the resolution.

WISCONSIN is the State of economic experiments, and it is well for the other States that one of them is willing to take the risk of disasters in trying out the schemes of idealists and self-constituted reformers. We had occasion recently, in referring to an address by ex-Insurance Commissioner Fricke, to discuss the proposed plan of State insurance, upon which the people of Wisconsin are to vote at the next general election. There is already a system of State life insurance in force—which, so far, is not encouraging—but the amendments to the Constitution, which are to be submitted to popular suffrage, will embrace all kinds of insurance, the most important of which is fire. If adopted, the State will go regularly into the fire insurance business in competition with the companies, which it will continue to control officially and tax. The amendment, in the opinion of Dr. Fricke,

Digitized by Google

may even give the State compulsory powers. Our attention and that of the good people of Wisconsin is called anew to this question of insurance by the State by the destruction by fire of the State Normal School, which was covered by the State fund for the insurance of public buildings. The loss is nearly $100,000, and the total assets in the fund available for paying losses are $45,184. The available fund is therefore wiped out and the State is still a loser by more than $50,000. An account of the condition of the fund says:

It has had an unfortunate experience, having paid $197,821 on the State Capitol fire, and over $12,000 in addition in other losses, since its creation. At the beginning of the year the assets were $154,287, but there was a debt due the State Treasury of $78,137, and unearned premium reserve of $78,137, leaving a net surplus of $45,184. This State fund originally restricted its protection to State institutions, but in 1912 it extended its coverage to county property, a much more hazardous class of risks.

So the State is a heavy loser through its self-insurance of its public buildings, when it could have been no loser at all if it had insured its property in the good old way. With this object lesson in plain sight, it will be a strange exhibition of perversity if the people at the coming election vote to bind themselves to a plan which, in case of a great conflagration in one of their larger cities, will deprive them of fire insurance protection to a large extent. In this connection it may be added that there appears, in the present issue of this paper, an intelligent discussion of State insurance by Insurance Superintendent Potts of Illinois. He can see its advantage in certain ways, such as provide for the care of the injured workmen and the aged public servant, and which he aptly terms "shelter insurance," but he is emphatic in the declaration that the general lines of life, fire, casualty and surety insurance should not be invaded by the State. He says: "Optional State insurance covering such lines is at a marked disadvantage in competing with the private plan, as its risks must necessarily be confined within State boundaries, thus limiting its field of operation, making insecure and unserviceable existing experience tables and creating a chaotic condition in a highly technical field of endeavor. Competitive State insurance would require the State to adopt as efficient business-getting methods as are employed by private insurance institutions. The State would have to tender the same ingenious policies and offer the same diversified forms of protection as are now furnished by the private plan. In fact, to succeed, it would have to lead in the field of competition. * * * There is no justification for a State to become an insurance experimental station unless some existing conditions affirmatively demand it. Such conditions do not now exist and there is nothing to forecast such conditions in the future." Mr. Potts' consideration of the question of State insurance is the most thorough yet made public and should have wide attention.

Fire Insurance.

The Kentucky situation was not much relieved by the conference at Louisville on Wednesday, when the position of the companies was most lucidly explained by C. J. Doyle, representing the fire insurance underwriters. Chairman Ruby Laffoon made a long proposition that the companies agree to a reduction of 10 per cent. on dwelling rates for cities and towns, and 25 per cent. on loose-leaf tobacco sales houses and contents. He suggested that the new insurance board be made up of one insurance man, one merchant and one manufacturer, but his entire proposition was one the companies probably cannot accept. It is regarded as final in Louisville that the companies will not accept, and Governor McCreary, State Auditor Bosworth and Attorney-General Garnett have sent signed invitations to several of the largest companies for a conference at the Hotel Seelbach on April 18, when it is hoped that some compromise may be effected. It is also intimated that the attorney-general, if asked for an opinion on the constitutionality of the Greene-Glenn law, will say that it is unconstitutional and inoperative. In his remarks on Wednesday Mr. Doyle told the conferees that the companies have indemnity to sell and want to sell it in Kentucky, but that they cannot do it safely under the law, and therefore preferred to retire immediately, since they must ultimately do so.

The interinsurance associations **put out of business in Missouri** by the action of Superintendent Revelle last week were as follows: American Exchange Underwriters, New York; Automobile Indemnity Exchange, Kansas City; Bankers' Interinsurance Alliance of America, Kansas City; Coal Operators' Exchange, Kansas City; Conductors' Indemnity Exchange, Kansas City; Individual Underwriters, New York; Casualty Reciprocal Exchange, Kansas City; Employers' Indemnity Exchange, Kansas City; Lumbermen's Indemnity Exchange, Kansas City; Lumbermen's Exchange, Kansas City; Manufacturing Woodworkers' Underwriters, Chicago; Manufacturing Lumbermen's Underwriters, Kansas City; Manufacturers' and Merchants' Reciprocal Exchange, St. Louis; National Interinsurance Bureau, Kansas City; North American Interinsurers, New York; Reciprocal Annex, Kansas City; Reciprocal Underwriters, Kansas City; Stallion and Jack Owners' Interinsurance Alliance of America, Kansas City; Merchants' Underwriters, Kansas City; Utility Indemnity Exchange, St. Louis; Underwriters' Exchange, Chicago; Wholesale Grocers' Reciprocal Indemnity Exchange, St. Louis; Western Reciprocal Underwriters, Oklahoma City; Warner Interinsurance Bureau, Chicago; Western Indemnity Exchange, Columbia, Mo. The following is the text of the decision of the Supreme Court of Missouri, by which the law was declared to be unconstitutional:

The pivotal point of this appeal is whether the act of the legislature, supra, relied on by the relator as the authority for the conduct of the business in which its principal seeks to engage without being amenable to the insurance laws is a constitutional enactment? We think it is not. The power of the legislature to regulate insurance contracts whether entered into by individuals, associations or corporations is an open question either on precedent or principal.

It is perfectly plain from the outline of the business which relator seeks to do as the agent or manager of all persons to whom relator shall issue policies, that it is a State wide plan with no other requirements to membership than that the applicant shall insure his property and give the "manager" the power to do all things simply by using the name "manager" which the member could do himself. The plan provides no guaranty of solvency beyond what may be left of the "funds payable by the single subscriber" after the subtraction therefrom, by the manager, of his stipulated per cent. and all the cost and expenses which, the manager may be put to in carrying on the insurance business. Moreover, the policy itself provides that no joint liability shall be incurrable by the insurer and it is not suggested that the association corporate alter ego "relator" is to be liable in any way whatever in case of the accrual of a right of action on one of the policies. Indeed the policy itself expressly provides that one only of the members of the Merchants Reciprocal Underwriters shall be suable in case of a default, and that the other members shall abide that action as to their separate responsibility, which shall bear the same proportion to the entire loss which his premium bears to all other premiums then in force.

In order to enable the promoters thereof to carry out the above scheme, it was indispensable that the statutes safeguarding insurance should be repealed. This was comprehended as the result was the legislative act under which relator is now demanding that its principal be licensed to do insurance business in this State free from the burdens or restrictions imposed on that business by the General Assembly. It is apparent that unless the legislative act under review has repealed pro tanto, the existing statutes regulating insurance, the Superintendent of Insurance would violate the law if he gave his official sanction to the business of relator's principal.

Digitized by Google

As the necessary effect of the act in question is to repeal the insurance laws in favor of the persons mentioned in the act, it becomes important to determine if it was constitutionally enacted.

The New York exchanges affected say that business will be carried on the same as previous to the enactment of the law.

The Kentucky law hounding the fire insurance business has no severer critics than the organized credit men of the country. The **National Association of Credit Men** has issued the following statement regarding the legislation:

Willing to endanger the business interests of the State for what they thought would bring political capital, the legislators of Kentucky, in spite of the lessons of the Orr measure of Missouri freshly in mind, enacted an insurance measure which the governor signed March 7, a measure so drastic in its provisions that the stock companies will, with few exceptions, have withdrawn from that State by April 1. No self-respecting business man would attempt to do business under exactions half as oppressive as the so-called Glenn-Greene bill. Through the passage of this act a serious situation has been brought upon the business interests of Kentucky. The withdrawal of the insurance companies means not only difficulty and in many cases the impossibility of getting proper insurance coverage, but the removal of important factors which tend to keep down fire-loss, such as the fire patrol system maintained by insurance companies, the experienced agencies of the various companies, the inspection systems carried on by the companies and their agents. The situation is even more serious than in Missouri, because in that State about sixty days were given for the cancellation of old insurance contracts, and the binding of new policies for periods of one to five years, whereas in the case of Kentucky the companies refused to do the wholesale cancelling that was done in Missouri, and will not renew upon the completion of their policy contracts. The companies in withdrawing acted individually, and were led to act with no hesitation, because Kentucky has for few of the companies been a profitable State. The business interests will have to get together, as they did in Missouri, and bring about measures of relief just as they did so successfully in the latter State.

The New York Insurance Department is constantly confronted with schemes hatched in the interests of persons with large properties to insure who **want to get the advantage of better rates** than their fellows. This is discrimination and is prohibited by law, but the schemes put forward sometimes cloak the act of discrimination and make its discovery difficult. An announcement says:

One of the plans resorted to with the sanction and approval of insurance agents has been the bunching of risks in different localities having different rates under one policy issued presumably at an average premium rate. If the value of the property in each locality were correctly stated, the practice would be unobjectionable, but the scheme of those who would beat the law has been to make an undervaluation of the property which constitutes the poorer risk and an over-valuation of the property which is good and where the tariff rate is low. In this way the average premium to be paid is far below what it should be if each piece of property were insured at its proper value and the rate charged which has been fixed for that location. Agents have gone so far as to ask the department to make a ruling that "no company or group of companies who issue contracts of insurance in more than one location in the State at a rate less than the average published rates in all locations shall be guilty of discrimination." The department refused giving any such ruling and held instead that any case which develops dishonest characteristics of this kind will be promptly corrected, and those responsible for their making will be called to account.

The **fire loss** of the United States and Canada **during March,** 1914, as compiled by *The Journal of Commerce,* shows a total of $25,512,750, or an increase of almost 50 per cent. over the record of the same month in the preceding year. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
Total, three months	$80,905,650	$59,788,850	$70,461,650

Our contemporary also says: "The fire underwriters have been hit hard in 1914, and many of them to such an extent that all hope of coming out even on the year has been abandoned. The April loss account has been expensive to date, and altogether the fire insurance companies are likely to have an abnormally bad experience in 1914."

The Western Union has been in session at Philadelphia part of this week, and is still at work as this paper goes to press. The report of the joint large cities committee with respect to St. Louis was the important subject of the meeting's attention, and it has not yet been finally acted upon. The committee has worked day and night to get it in such form as to eliminate the objections advanced by the Chicago agents when the expense limitation plan was put into operation in that city, and it is hoped to adopt such rules as will be at once agreed to by the Western Insurance Bureau at its meeting next week. On Thursday a meeting of the company managers was held to listen to a report on the Kentucky situation by C. J. Doyle, but this was no part of the meeting of the Western Union. The chairman of the informal meeting was F. C. Buswell, of the Home. It was announced that a meeting of companies will be held in New York next week to reply to the invitation of the Kentucky State officials for a conference.

The **North Dakota** Insurance Department has issued an **order forbidding outside agents and brokers** to participate in the placing of fire insurance within that State. The order says:

The Department therefore holds that it is contrary to the law of the State of North Dakota for a non-resident agent to write or place or to do anything in connection with the writing or placing of insurance upon property or risks within this State. Also that it is contrary to the law for any company to secure policies signed in blank by a resident agent, afterward to be filled in and completed by a non-resident agent; or for a resident agent to sign slips of approval to be attached to completed policies by non-resident agents; but that all policies issued must be completed by a resident agent, a complete record made of policies when same are issued, the premium collected by a resident agent, and the commission allowed by the company retained by the resident agent. It is assumed that it will be unnecessary to require of fire insurance companies authorized in this State an "overhead writing agreement," or a promise of conformity with the ruling of the Department in this matter. Companies will, however, be held to a strict compliance with the terms and conditions of the ruling here announced.

"We note," says the current issue of the Glens Falls *Now and Then,* "many published tables purporting to give last year's fire underwriting experience by companies in States, localities, etc., but limiting figures to gross premiums and losses paid. These figures are taken by many to be the whole story, and from them they formulate **false ideas of profit.** In the first place, fully 40 per cent. for expenses should be added to the losses, and in most cases considerable deduction for cancellations and reinsurance should be taken from gross premiums. Often additions should also be made to losses paid for losses incurred, and then comes the matters of possible increase in unearned premiums, when premiums have increased during the year and in other liabilities. Many items are involved in arriving at the net results of a company, generally, or in any particular territory. The business has suffered from the insufficiency of figures in tables referred to."

The **West Virginia** fire marshal has sent out the following **warning** throughout the State:

The fire insurance rate is a tax upon the business men just the same as is the State, county and city levy. Its reduction is a problem of vital interest to every man who owns property. The reduction can be brought about and is within the reach of the insuring public. How? Reduce the losses, by careful and well planned campaigns against the ordinary fire hazards. Our stores and houses are full of hazards that can be removed at small cost. In the State of Ohio, where after a number of years of co-operation given by the public to the Fire Marshal Department, the Fire Prevention Bureau, the Inspection Bureau and similar organizations, and

Digitized by Google

underwriting interests, have ordered a complete re-rating of the State, with the view of giving to the people of the State a lower rate, due to the decreased loss ratio. West Virginia can secure the same results. Let's get rid of our fires before they start. REMOVE THE HAZARD.

The epigrammatical publication of the Glens Falls, in its current issue contains the usual quota of pithy sayings from the pen of President J. L. Cunningham, and one somewhat longer paragraph is devoted to **cancellations,** as follows:

When an agent undertakes the cancellation of a policy he should make it his business to succeed. Nothing less than sure proof of the assured receiving notice can be relied upon and, even with that, it should be followed by getting the policy and receipts for unearned premium. We have had some unhappy experiences from carelessness in this regard, and some agents have found themselves unpleasantly liable for negligence in effecting ordered cancellations. The "five days after notice" is the personal privilege of the assured, which he can waive, and often will waive by surrendering the policy and signing cancellation receipt, if the agent goes directly to him. Don't fool with an attempt at cancellation.

The **Indiana** Insurance Department has brought **suit** against the Continental Fire as a test case **for the collection of back taxes** from New York companies. It makes two claims, one of $18,000 for back taxes from 1876, charging that reinsurance and return premiums were improperly deducted in reporting premium for taxation. It also claims $52,000 under the reciprocal laws. The Indiana tax is 3 per cent. on the net premiums after deducting losses, while the New York tax is 2 per cent. on the gross premiums. The Indiana department says the New York tax is higher than the Indiana tax and under the reciprocal law demands the same rate that is charged the Indiana companies in New York.

The revised and enlarged edition of the **Crosby-Fiske Hand Book on Fire Protection** has been received from its publishers, the Insurance Field Company. This is the fifth edition of this standard publication, which is now used in practically every country in the world. The new book includes a new subject, that of egress of buildings at time of fire or panic, and also discusses the efficiency of automatic sprinklers in various classes of risks. A number of other new topics are treated, and the tables in the book have been extended so as to bring them up to date. The book is printed on India paper, and is bound in flexible leather covers, and is carefully indexed.

On Monday of next week the special committee on fire insurance classification of the **National Convention of Insurance Commissioners** will meet with the special committee on fire insurance rates and ratemaking, of which Commissioner Ekern is chairman, and the committee on classification of the National Board of Fire Underwriters, of which E. G. Richards is chairman. The chairman of the first committee, W. T. Emmet, having retired as insurance superintendent of New York, the New York department will be represented at the conference by Examiner Deutschberger.

The **Cook County Automobile Underwriters' Board** has been organized at Chicago with the following officers: President, A. T. Graham; vice president, C. E. Rollins; secretary, F. J. Sauter; treasurer, H. V. Burrows; executive committee, George Tramel, A. F. Shaw and W. Dix Webster; arbitration committee, Charles Buresh, George A. Gilbert and James J. Powers. The rules are not to be applied to any member until 90 per cent. of the 100 agencies writing these classes of insurance in Cook county have signed the agreement.

The engineers of the New York Board of Fire Underwriters, upon reinvestigation of **conditions at Galveston, Texas,** describe the efficiency of the fire-boat, which is capable of adding 2,700 gallons total pumping capacity available for fires along the waterfront. The boat cannot, however, the engineers say, be considered as fulfilling the entire requirements needed in the waterfront section. They recommend that after the present cotton crop is off the piers the boat should be laid up for boiler and other repairs.

Two **speakers have been announced** for the dinner meeting of the accountancy branch of the Insurance Society of New York at the Underwriters' Club on Monday evening, April 27. Professor Leon Brummer, who is at the head of the auditing department at the New York University School of Commerce, will speak on "Accountancy," and Mr. Harold A. Holmes, editor of *Caxton,* an efficiency publication, on "How to Earn a Living." All interested are invited to attend the dinner, the cost of which will be $1 each.

The New York Chapter of the American Institute of Architects and the New York Board of Fire Underwriters have **published a pamphlet** of general information regarding fire insurance requirements, with particular reference to fire prevention. The pamphlet was prepared by the committee on co-operation, of which Julius Franke represented the architects and F. J. T. Stewart the underwriters. The book has been widely distributed among property owners and others.

The **New York City chapter** of the National Fire Protection Association has been organized with the following officers: President, Rudolph P. Miller, superintendent of buildings in Manhattan; secretary-treasurer, Edward R. Hardy, assistant manager of the New York Fire Insurance Exchange; executive committee, D. E. Wade, Dana Pierce, W. P. Young, J. P. H. Perry, John C. Eames and Fire Chief John Kenlon.

Statistics compiled by *Safety Engineering* show that there have been **162 hotel fires in 92 days,** involving property values of $4,500,000, with an average loss per fire of $28,000. In nearly every case guests were killed or injured. The paper declares that "ninety-nine per cent." of the hotels in the United States and Canada "are fire traps, and each of these should have tacked over the door the placard, 'Fire trap hotel.'"

The report of the **Boston Fire** commissioner for 1913 has just been filed. It shows that the **property fire loss** was $3,225,000, and the loss from interruption to business was estimated at $1,000,000 more. Forty-one lives were lost on account of the 4,104 fires. The report contains numerous recommendations for improvements in physical conditions and in fire protection equipment.

The **Fireman's Fund** has decided **to build** a handsome home office building on the site of its present building and to begin work at once, so as to be in readiness to receive visitors from other parts of the world when the exposition opens in a building that shall adequately represent this strong and growing company.

Under the order of Fire Commissioner Adamson the New York uniformed firemen in March made 108,716 **inspections,** and found 849 cases requiring a report to the Fire Prevention Bureau, of which 140 cases were classed as dangerous. In 80,308 cases there was no cause for complaint.

The State officials of **New Orleans** have written to the secretary of the Louisiana Fire Prevention Bureau pointing out the **improvements** in conditions in that city, and asking for the co-operation of the bureau in securing a reduction of fifteen cents in the fire insurance rate for that city.

Digitized by Google

The **New Orleans fire premiums** collected during 1913, as reported to the fire insurance patrol of New Orleans, were $1,322,109, which is a reduction of $22,930 from the 1912 figures. The Liverpool and London and Globe heads the list of companies with $82,633.

Believing that many **fires** have been started in the West End and part of the North End of Boston **for the insurance money,** Mayor Curley on Monday announced that he would ask the insurance companies to decline to issue policies on property in that section.

The **Metropolitan Fire of Louisville** has been incorporated, with George W. Long as president and Edwin G. Morgan as secretary and treasurer. The capital stock is to be $250,000, and it is proposed to begin business when $50,000 has been paid in.

The New York Insurance Department has issued its list of persons, partnerships, associations and corporations **licensed as brokers** in the City of New York up to February 16, 1914. A supplementary list will be distributed in a short time.

The **officers** of the Fire Brokers' Association of the City of New York for the ensuing year have been **elected** as follows: President, A. C. Hegeman; vice president, F. S. Little; treasurer, F. W. Stillman; secretary, George W. Will.

The executive committee of the **South-Eastern Underwriters' Association** has practically decided that the annual meeting this year shall be held at Greenbriar Springs, West Virginia. It will take place in May at a date to be announced.

The Ohio Valley Fire and Marine is **being organized** at Paducah, Kentucky, by Frank M. Fisher. It is to have a capital and surplus of $250,000.

It is announced from San Francisco that the **hotels** of that city **will not increase their rates** during the Panama-Pacific exposition.

The Arlington Fire of Washington has been **admitted to Massachusetts** with John M. Downey as agent.

Life Insurance.

As stated in last week's issue, the **Travelers** of Hartford celebrated its **golden jubilee** with a meeting of its leading representatives from all parts of the country at the home office in Hartford. Thirty States and four Canadian provinces were represented by nearly five hundred agents, of whom seventeen came from California in a special car. It was without doubt the most notable insurance gathering ever held in this country. The history of the Travelers as outlined during the three days' meeting is a wonderful story. The founder of the company, James G. Batterson, was characterized by President Dunham as a builder, philosopher and scholar, a man of tireless energy, of peculiar originality, of prophetic imagination, and of unflinching courage. Fear and defeat he knew only as experiences of others. He desires the welfare of his fellow-men and assists in all uplifting causes. His enterprises were daring, but he laid his foundations wide and deep. It was a notable moment in the convention when the last speaker, James G. Batterson, the New York City resident director, arose and said that many complimentary things had been said of his father, but that the most important of his official acts had been overlooked. This, he said, was the selection of his successor. It was regarded as the highest compliment paid to President Dunham during the convention. The programme for the three days included a very large number of important addresses and conferences. Various group meetings were held, and problems peculiar to each group were discussed. The situation with regard to workmen's compensation and employers' liability was given particular attention, and one of the most important addresses was by Vice President Lewis F. Butler on the Workmen's Compensation Bureau and its relation to the business. Salesmanship and its development was also largely considered, and among the life insurance topics, those relating to canvassing and the securing of new prospects were thoroughly discussed. The convention closed on Friday with a farewell address by President Dunham and one by Vice President John L. Way. It was left to Major Edward V. Preston to pronounce the "benediction," as it was characterized by President Dunham, who spoke the last word as follows: "At this time I can think of nothing that applies more fittingly to this moment than the motto of Edward E. Hale, of Boston, preacher, scholar, gentleman and philanthropist:

'Look forward and not backward,
Look upward and not downward,
And lend a hand.'"

A communication from the Colorado Insurance Department points out the erroneous impression that **pure endowments for children** are prohibited in that State by the law forbidding the insurance of children. The following is the ruling of the department on the subject:

> The question has been submitted to this department: Is it unlawful to sell endowments to minors under the age of 15?
>
> There are submitted two forms of children's endowments:
>
> 1. The first provides that the endowment shall be paid in the event the child attains a certain age, but the premiums which have been paid are forfeited and become the property of the company in the event the child dies before the maturing of the endowment. This is not insurance. Indeed, the pure endowment is in some senses the very antithesis of insurance. This form is hereby declared to be in accordance with the Colorado law, and pure endowment policies on children may be issued provided that there is no consideration to any beneficiary in the event of the child's death.
>
> 2. The second provides for the endowment in the event the child lives to a certain age and the return of the premiums paid, without interest, if he dies before that age. A careful study of the Colorado law convinces me that that the legislature did not intend to prohibit this slightly modified form of pure endowment.
>
> Both of the policies which have been submitted are hereby approved for issuance in this State.

Our old acquaintance, **Reau E. Folk,** who has seldom been heard from since he ceased to be insurance commissioner of Tennessee, has been addressing the Life Underwriters' Association of Knoxville in opposition to State taxation of life insurance. He said:

> The institution of life insurance is for the good of society. It is the greatest agency in combating poverty and distress and causes the community and State from being at the expense of caring for the indigent. It would therefore be sound public policy to deal with insurance companies with extreme leniency in taxation. This government is the only government that imposes a tax.

Mr. Folk is now a general agent for the Equitable Life of New York.

Those who have actions against the Old Colony Life of Illinois will be unable to settle their cases through the Illinois Insurance Department, Commissioner Potts having declared that he will **not** permit his department **to be substituted for a court of justice.** This declaration came during a hearing on matters pertaining to the reinsurance of the business of the Cosmopolitan Life, and the charges made were in connection with a refund of $20,000 to the officials of that company. The explanation was that the money was put up to provide for any liability that might arise, and that none having arisen, it was returned as not needed.

Digitized by Google

Commissioner Potts ruled that he will take no action until after the actions pending have been determined.

The resignation of Edward W. Allen, who was president of the Life Underwriters' Association of New York last year, as tax commissioner in Brooklyn was filed last week. The letter of Mr. Allen, which said that he could not devote his entire time to the business of the office, and that he did not care to profit at the public expense to the detriment of the public service, was such a **surprise to Mayor Mitchell** that he wrote to Mr. Allen, saying, "Your point of view has not been entirely common among public officials in the past, and your attitude in this matter does you much credit." Life Underwriters are more familiar with Mr. Allen's views on part-time men than Mayor Mitchell.

During 1913 the **National Life Insurance Company of the U. S. A.,** of Chicago, wrote more than $14,000,000 new insurance, increased its income more than $450,000, swelled its assets by over $300,000, and paid in dividends to policyholders nearly $160,000. In five years it has increased its insurance nearly $35,000,000. The record in detail is published in our advertising section this week and is an inspiration to the student of life insurance progress. The impress of the forceful personality of President A. M. Johnson is a potent factor in the progress of this company, and credit for its excellent progress is due largely to him and the able executive officers who work with him.

The appraisers appointed to fix the value of the stock of the Prudential have **adjourned for a few days** to assimilate the evidence already collected. The task they have undertaken is a stupendous one, and notwithstanding the mass of material submitted by the company, its case is not yet completed. In the evidence of Vice President John K. Gore it was brought out that in 1913 the company earned $13,350,204, the non-participating business contributing $3,765,563, and the participating business $9,584,641. Dividends amounting to $4,486,949 were distributed.

A $3,000,000 group life insurance contract—**another record-breaker**—was closed in Paterson, N. J., on Thursday by Charles L. Auger, president of the National Silk Dyeing Company; August Hunziker, vice-president, and Frederick S. Cowperthwait, treasurer, of the Weidman Silk Dyeing Company Annex Works, of Paterson, with the Ætna Life of Hartford. More than 5,000 dyeworks employees are affected, and every person connected with the two companies, from the officers down, are covered by the policies. The corporations pay all premiums.

Discussing old-age pensions before a meeting at the Church of the Messiah in New York last Friday night, Frederick L. Hoffman, statistician for the Prudential, asserted that the majority of people have **no need for a pension for old age,** and that the universal pension is not desired. He said that he did not believe the time would ever come when either State or Federal help would be generally needed.

The **Southland Life,** to which company Louis Linzmeyer went recently as actuary, has just placed in the hands of its agents three **new policies** made up by Mr. Linzmeyer. They are of the non-participating ordinary life, ten-year non-renewable term, and twenty-payment life forms, and each one contains all the up-to-date features.

The **Lone Star Life** of Dallas, Texas, has reinsured its outstanding business in the Great Southern Life of Houston. It has been decided to liquidate its affairs. The surplus had declined to $148, and the stockholders would not put up any more money. Texas has an oversupply of domestic life insurance companies.

The Appellate Division of the New York Supreme Court has affirmed the right of the **Independent Order of Foresters** to increase its rates of assessments. The suit was on an application for injunction with respect to the members joining prior to 1908. It was brought by Henry J. Simmerlink of Rochester.

The Great Southern Life of Texas has purchased the business of the **Lone Star Life** of the same State and its light is to be extinguished. It has been in business a little more than three years, and the transfer affected $2,000,000 of insurance.

The **Teachers' International Life** of Chicago has filed its charter with the Illinois insurance department, proposing to organize a company with $500,000 capital. So far as is known, none of the incorporators are insurance men.

The general agents of the Berkshire Life will gather at Pittsfield on April 22 to celebrate the **silver anniversary** of the president, William D. Wyman, who joined the company as an agent twenty-five years ago.

The **death rate in New York City** for the first fourteen weeks of 1914 was 15.57 per thousand of population, which is a decrease of .20 in comparison with the corresponding period of 1913.

The **George Washington Life insurance company** is the new name chosen by the Southern States Mutual Life of West Virginia, to become effective July 1.

Casualty Insurance—Surety Bonding.

The Appellate Division of the New York Supreme Court handed down this week an opinion that **conditions restricting the operations of an insurance policy** must be inserted expressly every time a policy is renewed and that the restrictions of one year do not carry into another year unless under express stipulation. The suit was that of the Casualty Company of America against the United States Casualty Company. The plaintiff sued to collect half of a life insurance policy of $12,500 taken out by Henry G. Elliott. The first policy, taken out in 1904, stipulated that the policy should not run during any period that Elliott was in Alaska. The policy was renewed every year up to and including 1909, but in none of the later policies did the stipulation regarding Alaska appear. In December, 1909, Elliott met his death in a snow slide in Alaska, and the Casualty Company of America paid the amount of the premium and then sent a bill to the United States Casualty Company for 50 per cent. of the amount. The latter company declined to pay on the ground that the policy was not to run while Elliott was in Alaska, but the plaintiff explained that this restriction was part only of the first policy, and was not a condition of the policies taken out later. The defendant still declined to pay, and said that the conditions of the first policy covered all of those taken out subsequently. The Supreme Court sustained the defense and the case was carried to the Appellate Division, which reversed the findings of the lower court. In its decision the Appellate Division said that each policy was a new and separate contract, and was based upon a new application, which constituted a part of the contract of insurance.

Digitized by Google

A cable dispatch from London says that three judges of the High Court of Justice have held three different opinions regarding the meaning of the American expression **"date of issuance"** on an American insurance policy which came before the court. The dispatch says:

The President of the court explained that "issuance" was a word originated in the United States, and confessed that it was quite new to him. All the judges described the word as "of American coinage," but failed to agree as to its interpretation. A search through an American dictionary did not render much assistance. The incident arose in the course of the hearing of an appeal of the Fidelity and Deposit Company of Maryland. The Allis-Chalmers Company of New York, Pittsburgh, Paris, and London applied to the company for a guarantee bond of $5000 in respect to M. Lochenies, manager of their Paris office, stipulating that the bond should date "from issuance." Owing to the absence of the London manager, who was in America, the bond was not actually taken up or the premium paid until a day or two after the Paris manager disappeared. Lochenies never returned, and later it was discovered that there were defalcations estimated at $55,000. The Allis-Chalmers Company claimed damages under the bond, which the Fidelity and Deposit Company repudiated on the ground of concealment of material facts. Mr. Justice Phillimore held that the date of issuance was that on which the bond was accepted, and ordered the Fidelity and Deposit Company to pay the Allis-Chalmers Company $5000. To-day this judgment was objected to by the Fidelity and Deposit Company, and the appeal judges eventually reversed it, the president defining the date of issuance as that on which the policy was delivered to the plaintiff, at which time the loss actually occurred.

An employer was insured by a casualty company in the sum of $1,500 "against loss from common law or statutory liability for damages on account of bodily injuries" to an employee. He was sued for such an injury by an employee, the latter offering to settle for $1,500. The employer so notified the company and urged that the settlement be made. The casualty company refused to take that course on the ground that the amount was excessive and **elected to defend the action,** as it had a right to do under the policy. The employee secured a verdict for $6,000 and the company refused to appeal the case, notifying the employer that it held itself ready to pay the $1,500 on his satisfying the judgment. The insured employer thereupon took charge of the case and appealed it, with the result that the complaint was dismissed, and thereafter brought an action against the company to recover his expenses in the prosecution of the appeal. The New York Court of Appeals holds (Brassil vs. Maryland Casualty Company, reported in the New York *Law Journal*) that the insured employer could recover on the ground that the company had failed in its obligation, outside of any express terms of the policy, to deal in conformance therewith.

The capital stock of the **American Assurance Company of Philadelphia** has been reduced from $350,000 to $300,000. Out of the 35,000 shares of the company, 25,209 were in favor of the reduction, and only 10 shares voted against it. A note given by the American Corporation for $23,427.73, which was not admitted as an asset by the insurance examiners, has been paid, so that the company has a surplus of practically $25,000 as of December 21. An announcement by President Reinhold R. Koch says: "We did not lose a single one of our agents on account of the contract, and our premium income was as follows: January, $40,058.09; February, $43,818.86; March, $45,266.15; I think this record speaks for itself."

The Travelers has appointed **Howard L. Herrington** to be manager of the liability and workmen's compensation department in New York, with Harris B. Johnson as advisory manager, and David Meiklejohn, Floyd M. Dull and William Sutehall as assistant managers. Mr. Herrington came from the home office of the company, where he had supervision of the workmen's compensation business in Connecticut, and his transfer to New York is made so as to give the New York office the benefit of his experience. A dinner was given by Resident Director James G. Batterson at the Hotel Plaza in honor of Mr. Herrington, at which sixteen of the department heads of the New York office were guests.

In **Massachusetts,** where the rates on workmen's compensation were voluntarily reduced by the companies a short time ago, there is a prospect of a considerable addition to benefits under the **compensation schedules,** and the companies have been asked if they will pay these additional benefits without increasing the rates. Insurance Commissioner Hardison is of the opinion that they should, and Governor Walsh is much concerned about it. He in effect charges that the companies reduced the rates so as to prevent the liberalizing of benefits. The Massachusetts Employees' Insurance Association did not meet the cut.

The Hooper-Holmes Bureau has appointed **M. L. Armstrong** as assistant manager of its Chicago office, established last December. Mr. Armstrong was for several years connected with the medical department of the Bankers' Life of Des Moines, and has had an extended experience in the handling of life insurance inspections. Manager George S. Galloway was formerly Eastern claim manager for the Continental Casualty, and thus the Bureau has in charge of the inspection work of its Western department men who have a thorough technical knowledge of the inspection features of both the life and casualty business.

The Comptroller of the Currency has approved applications to organize the following **new national banks:** The National Bank of Temecula, Cal., capital $25,000; the Larose National Bank of Larose, Ill., capital $25,000, to succeed the Larose Bank; the Farmers National Bank of Hammon, Okla., capital $25,000; the First National Bank of Hulbert, Okla., capital $25,000, to succeed the First State Bank of Hulbert, and the Wyoming National Bank of Casper, Wyo., capital $50,000, to succeed Cosgriff & Abbott, bankers; also to convert the Bank of Aberdeen, Miss., into the Aberdeen National Bank, capital $50,000.

The **workmen's compensation act** passed by the **Kentucky** legislature at its late session is attacked in the *Insurance Field* by Mr. Alfred Seligman, as unconstitutional and because it has inserted in it a "joker" affecting rates, the effect of which is that it gives the board created by the law "power in any case it deems proper to require the master to pay into the State fund, in addition to regular premiums, an amount equal to ten per cent. of any award made to an injured employee." Mr. Seligman regards the power as a temptation to great abuses.

The regular meeting of the Motor Truck Club for April will be held at the Automobile Club of America next Wednesday evening, when the subject for discussion will be **"Insurance and Its Bearing on Motor Trucks."** The following are the speakers and their subdivisions of the topic: "The History and Aim of Insurance," by Wallace D. Reid; "The Employers' Liability Law and Its Effect on Motor Truck and Garage Operation," by W. I. Payne, of Payne & Ramsey; "The Scientific Basis of Rates and Its Relation to Adjustments," by Edmund Ely.

The New York State Workmen's Compensation Commission will be represented at the **meeting of industrial commissioners** of the country at Lansing, Mich., next week by Dr. Thomas Darlington and John Mitchell. The New York Insurance Department will be represented by Leon S. Senior and the Workmen's Compensation Service Bureau by Professor A. W. Whitney, its manager. Professor Whitney will speak on the advantages of schedule rating.

Digitized by Google

A meeting of the legislative committee which is preparing **workmen's compensation legislation** for submission to the next legislature **in Pennsylvania** will have a meeting at Harrisburg next week, at which time Secretary Carl M. Hansen, of the merit rating department of the Workmen's Compensation Service Bureau, will speak on the analytic schedule and its relation to accident prevention.

The Hartford Accident and Indemnity Company has appointed **Robert C. L. Hamilton** to have charge of the company's accounting department and office management at the home office. Mr. Hamilton has been treasurer of the United States branch of the General Accident, with which company he has done a notable work in the reorganization of its accounting department.

The **Zurich General Accident and Liability** has created the position of superintendent of agents, in the interests of better service, and has appointed John A. Diemand to the position in recognition of his ability. Arthur H. Brown has been appointed superintendent of the claim department. George H. Morris is made superintendent of underwriting.

The latest form which the activities of our enterprising Louisville contemporary has taken is an **automobile edition.** It testifies to the large extent which automobile insurance has reached by a presentation of twenty pages of highly interesting matter regarding all phases of the motor world, and motor owners ought to subscribe for it on a run.

The Massachusetts Bonding has **established a New England department** under Manager John H. Grady of Boston, which will handle all lines for the New England States except surety, and will also have charge of the accounting for New England. Irving Hollander has been made head of the home office accounting and statistical department.

Facts brought out concerning the robbery of the First National Bank of Gallatin, Tenn., have **released the Ocean from liability** under its $18,000 burglary insurance policy. No forcible entry was made to the vault, and the bank has learned the identity of the guilty parties and has recovered $12,000 of the stolen money from its hiding place.

The claim is being made that the workmen's compensation law adopted by the legislature of Kentucky is **unconstitutional.** The act becomes effective on January 1, but its legality will probably be put to test before that time. It is alleged that the act violates the constitutional provision forbidding limitation of liability for personal injury.

The **North Dakota** Insurance Department gives the information in its latest bulletin that, the **State bond law** enacted in 1913 having been declared unconstitutional and invalid, the department it created was never established, and no bonds were ever issued by the State.

A special committee of the Plate Glass Underwriters' Association is at work upon a **new rating system for New York City,** in order to enable companies to comply with the request of the New York Insurance Department that rate schedules and street factors be filed by May 1.

The Illinois Industrial Board, which has ruled that all policies covering compensation risks will automatically shed all **limitation of liability** on June 1, regardless of when or how written, has agreed to furnish the companies with more definite interpretations of the order.

The business of the **German Commercial,** which has been operating in Pennsylvania only since its reinsurance some time ago, has been taken over by the Pacific Mutual Life. It is understood that the German Commercial will now liquidate.

The Casualty Insurance Exchange has requested the Workmen's Compensation Service Bureau to devote immediate attention to the **New York automobile situation.** Some dissatisfaction with the automobile manual has been expressed.

The **Workmen's Compensation Commission of New York** has now been completed by the appointment by Governor Glynn of Howard Townsend Mosher of Rochester to be the fifth member of the commission.

A **synopsis** of the new Kentucky workmen's compensation law has been **compiled** by Barbee & Castleman, agents at Louisville.

The $25,000 bond of Insurance Superintendent Frank Hasbrouck has been **written by the National Surety.**

Personal.

AGENCY APPOINTMENTS

Agricultural: W. T. Foss & Co., Portland, Me.

Fidelity and Deposit of Baltimore: Triest & Israel, general agents at Charleston, S. C.; J. B. Kelly & Son, Springfield, Mass.

London Guarantee and Accident: Duprey & Stoddard, Worcester, Mass.

National Life of Vermont: Thomas Q. Dix, associate general agent at St. Louis, Mo.

National Life, U. S. A.; H. A. Peter of Seattle, State agent for Washington; Williams & Ballard, superintendents at Nashville, Tenn.

Sterling Fire: W. E. Fitzgerald, special agent in Indiana.

World Casualty Company: George L. Heron, of New York City, manager of the limited accident department for New York, Vermont, Rhode Island and New Jersey.

Mr. George B. Stadden, who was elected president of the Franklin Life of Springfield, Ill., to succeed the late Edgar S. Scott, was an agent of the company twenty-five years ago and was concerned in its reorganization in 1898, since which time he has been successively manager of agencies and vice-president. President Stadden is a popular man and aged about 53 years.

Ex-Governor Eben S. Draper, of Massachusetts, died April 9 of paralysis at Greenville, S. C., after a brief illness; aged 56 years. He was on his way home from a trip to Cuba and Florida when he was stricken on Tuesday. He was vice president of the Hospital Life Insurance Company of Massachusetts and was prominent as a textile manufacturer.

Mr. Allen M. Reager, the Louisville representative of the Travelers of Hartford, was one of the fortunate agents of that company to qualify for attendance upon its fiftieth anniversary, by reason of his activity in writing new business. Mr. Reager controls a score of New York risks, most of whom are Louisville gentlemen residing in this city.

Mr. Henry W. Bush, for many years engaged in the insurance business in Chicago, died April 7. Mr. Bush was born in Kalamazoo, Mich., in 1847 and came to Chicago in 1875. He entered the services of the Fire Association of Philadelphia, and prior to his retirement from active business six years ago was western manager of that company.

Mr. William M. Croan, vice-president of the Indiana National Life of Indianapolis, died at his home at Anderson, Ind., on March 31, after an illness of only a few days. He was sixty years old and had been a journalist and manager of the Anderson Business University before entering the life insurance business.

Mr. George Earle Kelly, assistant manager for the Mutual Life of New York at San Francisco, was badly injured in an automobile accident April 3. Three guests—a man and two women—were killed and Mr. Kelly's wife was also seriously hurt. It is believed that he will recover.

Mr. Charles P. Kellerman, secretary of the Allemannia Fire of Pittsburgh, died there suddenly March 31, from an attack of pneumonia. He was a native of Germany, where he was born in 1844. His connection with the Allemannia dated from 1874, when he entered its Chicago office.

Mr. A. A. Drew, Superintendent of Agents of the Mutual Benefit Life of Newark, left Tuesday on a tour of his Pacific Coast agencies. His first stop is St. Paul, and he will visit agencies along the northern route, and down the Coast, returning via the southern route.

Mr. Samuel E. Barber, Kansas State agent for the Aetna Life, died last week of pneumonia, aged forty-six years. He had been president of the Kansas Association of Life Underwriters and vice president of the National Association of Life Underwriters.

Digitized by Google

Mr. Marseinus H. Cronk, of the Continental Insurance Company, died at Tottenville, S. I., April 8. He had been ill since November 13. Mr. Cronk was one of the Continental's most trusted accountants, having been with the company since August, 1885.

Mr. Thomas H. Scotland has been elected an assistant secretary of the Hartford Fire. He has been secretary of the Citizens, of St. Louis, and vice president of the Reading Fire, as well as superintendent of agencies of the Hartford Fire.

Mr. Thomas M. Harris, former vice president of the Nassau Fire of Brooklyn, died at Jamaica, L. I., April 7; aged 74 years. He had been with the Nassau Fire, which his father, the late William M. Harris, established, for fifty-eight years.

Mr. Samuel E. Barber, the Kansas state manager for the Ætna Life, died March 31 at Topeka, from pneumonia, aged 46 years. He had been in charge of the company's business in Kansas since February, 1904.

General Manager Fritz Schroeder, of the Aachen and Munich, died at Aix-la-Chapelle on April 5 as the result of a nervous breakdown. He was 63 years old and had visited this country several times.

Mr. Arthur A. Pritchard, for the past fourteen years general agent at Worcester, Mass., of the National Life of Vermont, died April 1 in Bermuda, whither he had gone in search of better health.

Second Vice President, George H. Gaston, of the Metropolitan Life, was the guest of honor at a banquet of the company's agents at Birmingham, Ala., last week.

Sir Gerald Ryan, who is the general manager of the Phœnix of London, will visit the United States this spring, arriving in New York May 8.

Mr. B. J. Alley, of Peoria, Ill., has been elected secretary of the Fitchburg Mutual Fire of Fitchburg, Mass.

Official Reports.

Connecticut Fire Insurance Report.

Part One of the forty-ninth annual report of the Connecticut Insurance Department has been issued from the hands of Commissioner Burton Mansfield. It covers the fire and marine insurance business in the State in 1913. The following are extracts from the Commissioner's comments on conditions. Touching the matter of insurance agents he says:

An agent, under our law, includes an acknowledged agent or surveyor, and any person who shall in any manner aid in transacting the business of an insurance company. There are in this State at the present time about forty-five hundred individuals, firms or corporations, who hold one or more certificates of authority to the total of about eleven thousand in all. This seems an unnecessarily large number for the transaction of the insurance business in Connecticut. Nearly two thousand of the forty-five hundred hold certificates to act as fire insurance agents and the balance hold certificates permitting them to act as agents for other forms of insurance. In many instances, of course, the same party holds two or more certificates and transacts two or more kinds of insurance.

It is of course impossible to know the character, ability and standing of every applicant who asks for a certificate of authority. I am compelled to rely very largely upon the representations of the companies whose agents these applicants really are. The companies have it within their power to regulate the number and character of the agents and to remedy the evils in connection with the agency system, if such there be. The agents are doing the business of the companies, and it is safe to assume that the companies will not select improper people to act for them. I must therefore assume, as a rule, that the people for whom applications for certificates are made are *prima facie* proper people to hold such certificates. So far, however, as reasonably possible I shall not issue a certificate of authority to any party who I know or have reason to believe

(*a*) does not intend to act in good faith;

(*b*) does not or will not put himself in a position to acquire, within a reasonable time, a knowledge of the business;

(*c*) will not devote a reasonable amount of time to the transaction of the business;

(*d*) is not of legal age;

(*e*) does not realize that he is in a measure at least bound to give the public, in whose interest the State has seen fit to intervene, his best service.

Certificates of authority should not be granted to persons who intend to insure only their own property; or to officers or employees of corporations who have in view only the insurance of the corporation's property; or to trustees, to cover only the property in their possession, or to savings bank officials who seek thereby to place insurance on property on which their institutions hold mortgages. I am not aware that there is any of the last-named class in this State; but I have already declined to issue certificates of authority for the current year to parties coming within each of the other groups.

To secure good agents there must be co-operation on the part of the companies, the public, the agents and the department.

CLASSIFICATION.

On the subject of the classification of fire insurance risks Commissioner Mansfield has the following to say:

Another matter which has been before the National Convention of Insurance Commissioners, since the summer of 1912, and which has been considered by one of its committees, of which I am also a member, is the classification of fire insurance experience. This question involves also the question of equitable rates on the part of fire insurance companies and how they are to be established and, if necessary, regulated. The companies themselves as a rule claim that tables showing a classification of their experience would be of no practical value or aid in establishing fair and equitable rates, and that the preparation of such tables would involve a great deal of time and expense, which in the end would be wasted; that any such classification would moreover disclose to their competitors information of special value to those who possess it. Some of the insurance men connected with some of the companies are very frank in saying, however, that a classification of risks can be made and used as a basis, more or less perfect, for the determination of rates.

It would seem that a classification of fire insurance risks might be made which could be used as a basis for determining rates, to some extent at least, as well as a classification of life insurance risks, which has formed a basis for the determination of life insurance rates for many years. Among the stock fire insurance companies to-day there is little or no competition. The rates established by them are substantially the same, and an insured person ordinarily accepts the policy offered him regardless of the financial strength of the company writing the insurance. Not only is there no competition to speak of, but the companies are on an equality, in the public eye, largely because there is no competition between them and because the State, to a considerable degree, establishes their equality by saying that they are well worthy of public patronage, at the same time supervising the adequacy of their rates only, from the point of view of their solvency.

Companies have been forced by circumstances to combine for the purpose of maintaining rates. The insured think that these rates are too high. If the companies insist that their classification of risks is of no value, or if of value, is so only to themselves, and refuse to publish and make accessible their classification, and that such a classification cannot be used as a basis of rates, the people are not going to be satisfied until the companies prove to them that such is the case. The companies can do this by taking the public into their confidence and showing them that such a classification of fire risks would not tend to reduce the rates and benefit the insured. Unless some such action as this is taken by the companies voluntarily, the State, in its organized capacity, will step in and demand a classification of risks, and if found to be justly necessary, a supervision and regulation of rates. Some of the States have already gone so far as to regulate and fix rates. I should hope that this practice would not become general, or even extend beyond its present bounds. Whether it does or not is largely a question for the companies themselves to answer. The whole matter seems to me to be more simple than it is generally thought to be, and I cannot help but think that there is a great deal of force in the view expressed by Mr. David Rumsey, a vice president of the Continental Fire insurance company, in an address before the New York Insurance Society recently. After saying that the solution of the whole problem is a surprisingly simple one, he used the following language, viz.: "I believe the public will be satisfied with practically any scale of rates which is based upon the statistics of accumulated experience, just as the public is to-day satisfied with the broad and inaccurate basis of classification upon which life insurance rates are founded. I believe it will be found that the public really demands little and is, in fact, only insistent that some sort of statistical information and experience shall be forthcoming as an explanation for the amount charged for fire insurance."

In quoting Mr. Rumsey, I do not mean that the information and experience to which he refers are the only factors in the problem, but that they will help in its solution.

Digitized by Google

I do not intend hereby to forecast the action of the committee having this matter in charge, nor am I, as a member of that committee, prepared to state just how far State supervision and control, if it is to be had, should go. I prefer to hear a full presentation of the matter before recommending any positive action. As there are to be several more meetings of the committee of the National Convention, the time for recommendation, so far as action on the part of our own State is concerned, has not yet arrived.

FEDERAL SUPERVISION.

The commissioner reprints in this report his paper on Federal Supervision of Insurance, which he read to the Association of Life Insurance Presidents at its annual meeting last December. Mr. Mansfield favors Federal supervision if it can be had, but he foresees the difficulties in the way of obtaining it and admits that an effort by the way of an amendment to the Constitution of the United States is practically impossible of success. The following, however, are his general conclusions:

No one regrets more than I do that I have nothing fresh to offer in the discussion of this academic question; that I have given rather a review of the whole matter than the suggestion of a remedy or solution. I firmly believe, however, that Federal supervision is desirable to the exclusion of supervision by the States, and that one way to procure it is by creating an atmosphere in which it can breathe and live; that in spite of their previous decisions, the courts must realize that there is a condition which demands that insurance be recognized as a material part of commerce and commercial transactions--in fact, is commerce; that when and if that recognition should ever come, the solution of the problem before us will be at hand; and that the present tendency of the Federal government to supervise great industrial and commercial enterprises would be extended naturally to embrace insurance; that this would result in the establishment of a national department, to which all State departments would have to yield, except as to those corporations confining their operations within the State of their creation.

Miscellany.

Mr. Emmet on Reinsurances.

One of the last official acts of Insurance Superintendent W. T. Emmet was to admit the First Reinsurance Company of Hartford to do a fire reinsurance business in New York, and a memorandum stating his views in the matter has been sent out from Albany. The statement is as follows:

My decision to admit the First Reinsurance Company of Hartford, Conn., to do business in the State of New York as a fire reinsurance company may be regarded at first sight as perhaps involving some departure from a policy which has been followed, with a fair degree of consistency, for a number of years in respect to the admission of companies of other States which have charter powers in excess of those obtainable under the New York law. Generally speaking, it has been the rule of the New York department, when companies of other States applied for a license to do lines of business in the State of New York, which were not permitted to a single company by the New York law, to compel these companies to abandon in States other than New York all those lines of business which under New York law would be inconsistent with those which were to be carried on in New York. In fact, the department has even gone further than that at times, and required not only that such companies should abandon the business they were carrying on outside the State under their excess charter powers, but that they should actually abandon such charter powers entirely by taking out modified charters which would be in strict accordance with the New York requirements. Many companies of undoubted financial strength and standing which have been unwilling to abandon charter rights which they have obtained from their own States—although entirely willing not to exercise such rights within the State of New York--have been denied admission to this State for this reason.

I have never particularly sympathized with this insistence that the New York department should exercise extraterritorial jurisdiction over companies of foreign states in the manner above described. Still I admit that something can be said in defence of the policy, upon theoretical grounds, and in my administration of the office of superintendent of insurance I have endeavored, so far as possible, not to disturb the custom which I found established here in this respect, although from time to time I have modified it to a greater or less degree in connection with certain applications for admission. My decision to admit the First Reinsurance Company of Hartford, Conn., represents perhaps a larger departure than any yet taken from the policy above referred to. This has suggested to me the advisability of filing a memorandum with the papers in the case, so that my reasons for admitting the company may be clearly understood in the future.

MY PRIMARY REASON

is that this company does an exclusively reinsurance business, and is in no wise concerned with the direct writing of insurance. Our present New York law does not, it is true, draw any distinction between reinsurance and direct-writing business, but the belief is very widely held among insurance people that there is a very real distinction between these two lines of business. In this I concur. I shall not take time here to point out all the grounds for this belief. One may be mentioned, however. Reinsurance constitutes an additional protection to the insuring public beyond that which they get from the direct-writing companies. In the case of a weak direct-writing company, reinsurance is frequently the only thing which saves policyholders from loss. It is scarcely possible to conceive of reinsurance as under any circumstances injuring the insuring public. It is very easy, under many circumstances, to see the benefits to the insuring public which flow from reinsurance. So viewed, I think a certain distinction between reinsurance companies and direct-writing companies is obvious. There is this additional consideration to be borne in mind, also--that, while the insuring public (which is presumably ignorant of the technicalities of the business) requires very large protection from the State in the way of supervision over the direct-writing companies, the managers of the direct-writing companies who deal with the reinsurance companies do not need that same degree of protection. They are experts in the business themselves, and it is to be presumed that when they consider entering into a reinsurance contract, they will protect themselves by inquiring carefully into the standing and financial strength of the company in which they reinsure. This is something which an ordinary citizen in his dealings with direct-writing insurance companies could not possibly do.

For these reasons among several others I think that it is altogether proper and desirable that our laws should recognize a distinction between reinsurance and direct-writing in respect to the State's supervisory powers over these respective kinds of insurance. Until such distinction is written into our law, I think it is perfectly proper for the Superintendent of Insurance, in the exercise of his discretionary powers, to take this distinction into account in cases like the present one. There is, of course, no doubt whatever in my mind as to my legal right to admit the First Reinsurance Company. It has ample capital and surplus under our laws for the transaction of a fire reinsurance business. That is the only business it seeks to transact in the State of New York. Absolutely the only argument against admitting it here as a fire reinsurance company is the fact that it has charter powers, granted to it by the State of Connecticut, which would enable it in Connecticut to do certain lines of reinsurance business which a fire reinsurance company cannot do in New York. My impression is that this is also true of most other States in which this company may be, or has been, admitted to do a fire reinsurance business. In most of these States it will be unable to do all the various kinds of reinsurance which its Connecticut charter allows it to do in Connecticut. Practically speaking, in the great majority of States this company will be compelled to confine itself to the business of fire reinsurance, although in some of them it will undoubtedly have an opportunity to go into some additional lines which the New York law will not permit it to engage in here. It does not seek to engage in them here. It only asks to be admitted to do in New York a fire reinsurance business, and its capital and surplus is ample, as I have said, for that purpose, measured by the New York law.

THIS COMPANY IS UNWILLING TO ABANDON ALL

its Connecticut charter rights as a condition precedent to its being admitted to do a fire reinsurance business in New York, although of course it has no expectation of availing itself of any of these rights within the State of New York except the power to reinsure fire risks. It has, however, filed with the department an agreement not to exercise some of these charter powers even outside the State of New York. That agreement constitutes part of the record in the case, and in my opinion

Digitized by Google

it represents a substantial enough concession to the New York idea—along with the fact that this is exclusively a reinsurance, and not a direct-writing, company—to warrant my abating somewhat the full rigor of the old rule requiring a complete abandonment of excess charter powers outside, as well as inside, the State of New York.

I should very likely not take this view of the situation, however, were it not for the fact that a number of the very strongest men in the insurance world are connected with this company, and I have every possible reason for supposing that the institution will be managed on the highest possible plane of business efficiency, and that its contracts will be as dependable as any issued by the strongest companies in the business. In fact, I regard this company as being distinctly within the category of strong companies. It has a million dollars capital and surplus. It has connected with it some of the best known men in the insurance field. Its admission is favored by many of the large direct-writing companies which wish to avail themselves of its reinsurance facilities. I see no reason why the policyholders of New York State should be denied the additional protection which such a company can give them, merely because the State of Connecticut has seen fit to authorize this company to do lines of business which are inconsistent, according to New York standards, with the business of fire reinsurance. The Connecticut Insurance Department is one of the strongest and best in the United States, and so far as I am concerned I am quite sure that the supervision which the company will get in Connecticut will be of such a character as to keep its Connecticut transactions within the boundary lines of safety.

In admitting this company, I

DO NOT SEEK TO ESTABLISH ANY PRECEDENT

which shall be binding upon any of my successors in office, or even upon myself in dealing with other cases of companies seeking admission here. I am treating this as a special case, on its own merits. Certainly no direct-writing company will ever be justified in urging that the admission of this reinsurance company, notwithstanding its excess charter powers, furnishes any reason whatever why the same rule should be applied to them.

As I have said, the fact that this is a reinsurance company and not a direct-writing company is my primary reason for admitting it. But even if other exclusively reinsurance companies possessing large charter powers than such companies could obtain in New York, should apply for admission here to do a fire reinsurance business, they would have to meet all the other conditions which this company has met before being in a position where they could urge that what I am doing in the case of the First Reinsurance Company of Hartford, Conn., should also be done for them. They would have to have at least a million dollars capital and surplus, in the first place. They would have to execute the same kind of an agreement as the First Reinsurance Company has executed, abandoning outside the State of New York the right to avail themselves of certain of their charter powers. And, most important of all, they would have to be under the control of men who stood as high in the insurance world as do those in charge of the First Reinsurance Company. As to whether or not in any given case this last requirement was met, would depend of course upon the judgment of the Superintendent of Insurance, and it might be a difficult matter upon which to form an accurate judgment. But even if all these requirements *were* fully met by some other company seeking admission here under precisely similar circumstances as exist in the present case, still my action in admitting this company would not in any sense be binding upon any of my successors in office as a precedent. It represents my individual view of what should be done in this particular case, and that is all it represents. It will be entirely within the discretion and good judgment of any other Superintendent of Insurance to take an entirely different view of his rights and powers in respect to the admission of companies of other States which possess broader charter powers than a New York company could obtain. If he should accept literally the old policy of insisting upon the surrender of all excess charter powers before such a company could be considered for admission here, it will be entirely within his rights to do so, and he need not consider himself in the least hampered by the fact that I happen to take a somewhat different view of the matter from that which may commend itself to him.

W. T. EMMET,
Superintendent of Insurance.

ALBANY, N.Y.
March 26, 1914.

Mutual Workmen's Compensation Insurance.

A pamphlet issued by Weed & Kennedy in elucidation of the New York workmen's compensation law contains the following allusion to mutual insurance under the law:

A mutual company on the basis permitted by this law will be a "rope of sand." It begins without a dollar of assets that may be called its own. It may mortgage its future by borrowing; the inevitable expense account will almost certainly require such a loan. It may begin as soon as it has forty employers as members, provided they employ at least twenty-five hundred persons. If one member of the forty should withdraw, the company must not grant any more insurance until another employer qualifies and joins. The superintendent of insurance may order the funds increased. How can the company comply? By making *assessments on the members.* It has no other resource.

An extraordinary catastrophe may cause very heavy expenses for surgical treatment, perhaps for funerals. Where is the money to come from? *More assessments on the members*—and the young widows are to draw, every week as long as they remain widows, perhaps fifty or more years, two-thirds of the wages their husbands would have drawn had they continued working. Meantime the company must build up and maintain unimpaired the Unearned Premium Fund, often called Reinsurance Reserve—a sum great enough to pay return premium on every outstanding policy if it should be cancelled. You may say such a demand never will be made. Doubtless; but the amount must be kept ready. You cannot use it to pay losses or expenses. Further, it must accumulate and set aside, as a special reserve, funds to pay, year after year, the compensation liabilities for injuries incurred. Posterity will have its own responsibilities. Each generation must provide security for its own damages.

We commend to the consideration of our friends the following provision in Section 189 in the law relating to mutuals:

"The corporation may in its by-laws and policies fix the contingent mutual liability of the members for the payment of losses and expenses not provided for by its cash funds; but *such contingent liability of a member shall not be less than an amount equal to the cash premium written in the policy.*" The mutual company may double your premium at any time. Not a word is said as to how much *more* the assessment may be.

A member may become dissatisfied, and wish to get out. The employer who is obliged to pay those widows—and other dependents—will *not* wish to get out. Some of the others, who have not been unfortunate, may become tired of paying so heavily for accidents of other concerns, with the law requiring such payments to be continued for indefinite periods. Well, a member may cancel his policy and resign his membership. But, *for another year* after resigning *he must pay his share of all assessments made to pay compensation in cases where accident or death occurred previous to his resignation.*

The salary-hunter is already abroad, and the enthusiast ready to snatch at every new thing, tried or untried, that promises a saving. Such a man is born every hour. He tells you of the success of "The New England Mutuals" in fire insurance. He fails to remind you that eighty-five out of every hundred mutual companies fail, and of the fifteen others only a few are *very* successful. Many such mutuals in this State have failed or voluntarily quit.

But success of a fire insurance company, stock or mutual, does not create a presumption that a compensation insurance company will prove successful. Methods, principles, rates in fire insurance had been developed and worked out centuries before "The New England Mutuals" started. Principles, methods and rates in compensation insurance are not yet worked out anywhere. We feel that our friends among employers would better let others do the experimenting.

Mr. Kennedy said that developments since his firm's pamphlet was written were decidedly interesting. Mr. Kennedy added:

So many mushroom mutuals are starting up that I am assured that some parties who are intending to manage, and others who had been intending to unite in mutual enterprises, have taken alarm and concluded to keep out of that class. A high official in one of the mutual companies about to start has already stated that most of the companies now being projected will undoubtedly fail. He thought that three of them might survive. Therefore if we had to write our pamphlet over again we should undoubtedly lay more emphasis upon the totally inefficient indemnity offered by these new mutuals. Many of those who are going into them are being duped by unwarranted statements relative to the rates and cost of the business that may be necessary for the

Digitized by Google

stock companies. It is remarkable that employers should accept the statements of self-seeking promoters for facts which officers of the stock companies themselves have yet been able to establish in regard to rates, although a small army of actuaries has been for many weeks engaged upon the work. The scandal and disgrace to the State which resulted from the sudden springing up of a large army of so-called "Lloyds" a few years ago is likely to be repeated in the matter of compensation mutuals.

Life Insurance and Its Educational Relations.

Insurance Superintendent Rufus M. Potts addressed the students of the University of Illinois on April 3, talking on life insurance and the effect of the present agitation concerning State insurance. Superintendent Potts said:

In discussing State insurance, I am by no means breaking fresh ground, but rather discussing soil of unknown fertility, as well as sowing unassorted seed, which may produce an uncertain harvest. In focusing my lens upon this question, I find my vision stretches far beyond both my experience and my knowledge of this subject; and, while I am in no sense confessing any present doubt as to the correctness of the conclusions I have reached, yet my study of this question has by no means been sufficient to exhaust all doubt.

At the outset, I must beg your indulgence for venturing beyond the expected limits in this discussion; but this subject is interwoven with so many economic axioms that I must draw therefrom to support my conclusions. Besides, it is not my intention to handle this question with a view of presenting clinching arguments, but rather to state principles from which deductions may be made and upon which my opinions are based.

State insurance is unquestionably a progressive idea; but there is associated with it an uncertain echo. All advanced ideas are progressive; the present is merely the progress of the past, and the future but the evolution of the present. The mere fact that an idea may be progressive is not sufficient reason for its adoption; but it should be carefully graded by public conditions; its acceptance must come, if at all, after mature consideration, and must be based upon conservative judgment. Such consideration and judgment will be the product of public agitation. Therefore, I shall treat this subject as one ready for agitation, rather than ready for adoption.

That the State insurance idea will be advanced and resisted by powerful influences is certain, and under such conditions it is questionable whether the public vision in the immediate future will be brightened or blurred. It must be studied, discussed and analyzed soberly and intelligently, with its eventual success problematical, to say the least. Posterity alone can gauge the wisdom of those who now advocate or oppose State insurance, and of the soundness of their views.

GENUINE INSURANCE

—that is, insurance without frills—is to the physical existence what genuine religion—I mean religion without frills—is to the spiritual existence; one covers the physical being, the other the physical shadow; both serve as the drop-net that saves. Next to religion, insurance is the most indispensable possession of the human race. No human being should exist without either, and in insurance, as in religion, the insured should have the widest latitude in choosing any wholesome brand his judgment may dictate. In dealing with general lines of insurance, the State can no more legislate an insurance short-cut to protection than it can legislate a religious short-cut to salvation.

Sociological and economic conditions are so co-related and interlocked as to maintain a forced balance. From them emanate certain inherent laws, which cannot be neutralized, upon which all insurance systems must be based, and around which they must revolve. Such laws become the warp and woof of the insurance fabric, and may be influenced by standardizing these conditions. Progressive legislation toward the standardization of these conditions will automatically remedy insurance ills, but no statutory enactment can be enforced that will, through direct pressure alone, attempt to twist the inherent laws without first improving and remedying these conditions.

INSURANCE IS NOW CLASSIFIED AS A SCIENCE

and a branch of economics. In its practical sphere and operation, it is a contract, a business, a protection and a service. Insurance implies the equitable distribution of burdens, and to do this there must be a system and insurance organizations. Insurance organizations spring directly from desirable investments of capital, the choosing of an occupation and the spirit of charity, depending upon the temper and purpose of the individuals composing them. From the fact that it is now recognized that insurance upon life, health and possessions is indispensable to individual success, as well as an economic necessity, phenomenal progress has attended the operation of all systems of insurance organizations. Many insurance systems are established and maintained by classes of individuals in order that they may have such protection as is compatible with the peculiar conditions that beget their several classes, and it is not infrequent that such insurance organizations bring greater benefits to members and provide as complete protection as that furnished by the most powerful insurance institutions of our country. In all general lines of insurance, the public need and weal demand the widest latitude in establishing insurance systems consistent with legitimacy and safety. No barrier should be erected or permitted in the insurance field that could, under any circumstances, tend to stifle competition or prevent insurance from being placed and carried in an open and unrestricted market. Every person should be given an opportunity to select his insurance at a premium within his reach, consistent with safety, and of the character that best suits his needs.

IMPERFECT INSURANCE CONDITIONS

result chiefly from lack of public knowledge of insurance fundamentals, and a consequent failure to appreciate its sphere and service. The elementary principles of insurance should be taught in our common schools, and its intricate and technical problems in our colleges and universities. Insurance should be taught, not merely as a vocation which the student may desire to follow, but as a great economic institution, of which no individual can afford to be ignorant. When insurance is included in our school curriculum, as is history, geography and mathematics, then a permanent foundation will be established, upon which more effective insurance and more stable insurance institutions will be constructed and may forever live.

Insurance is a subject that yields quickly to education, and as insurance education increases, so will insurance increase, and with universal insurance education will come universal insurance. As insurance increases, poverty and its consequential ills will proportionately diminish. The era of universal insurance will usher in a period of marked economic efficiency. When insurance education begins to bear fruit, the enormous waste that now keeps insurance out of the reach of those most in need of its protection and service will be eliminated; universal insurance will be applied to life, health and possessions, and society will accept with favor its duty of equitably bearing its burdens.

UNIVERSAL INSURANCE BEING NECESSARY

to balance economic conditions, we next face the question of how it can best be brought about and through what medium this insurance can be most efficiently and advantageously administered. However, we must keep in mind the fact that the sovereign power of the State is invested in the masses; that the administration of all institutions, whether private or public, in which the people have a direct interest is done by its citizens, and that the administration of insurance institutions must be in the hands of the people, either as State officials or as private individuals.

Insurance is not among the usual and customary functions of a State, and should not be assumed or appropriated by the State unless the public, as individuals, has failed to utilize or has abused its privileges; or unless there are certain economic conditions associated with classes of individuals or lines of industry, by reason of which the State must recognize and assume a special responsibility and grant relief through the administration of a system of insurance. Under such conditions, the State is fully warranted in taking over the business of insurance. Where conditions exist that bring about social ills to certain classes of individuals, or cause economic loss in particular occupations, if such ills cannot otherwise be cured and such loss otherwise prevented, it clearly becomes the duty of the State to furnish this relief by compulsory State insurance, to the exclusion of all other insurance organizations.

WE ARE IN THE MIDST OF AN ERA OF CONSERVATION

and preservation of every public and private right conducive to human welfare. The conservation of our natural resources is now fully recognized as a national and State duty and an accepted policy. And yet, until recently, as a nation we closed our eyes to the greatest of all drains upon the wealth of our country, which is the loss of and injury to human life through what has been modestly termed "industrial homicide," treating as a necessary incident to industry this great waste and needless

Digitized by Google

sacrifice of human beings. The most valuable property of our nation is its men, women and children; they are our greatest asset; without them all other things are of no value, and through them all visible and tangible wealth is created and produced. Hence, State interference in preventing this national waste and the attendant economical effect is now demanded. In accident prevention, compulsory workmen's compensation laws and compulsory State workmen's compensation insurance lies the remedy for this most inexhaustible and long-neglected condition.

Poverty in old age and old age benefits is a social problem for State solution; unemployment and relief for the unemployed and their families present conditions demanding State consideration; welfare and burial insurance is imperative for certain classes, and this, with the conditions that bring certain classes of our citizens within this necessity, is likewise a State question. Maternity insurance, common in Europe, but unknown in this country, is a subject in which the State is vitally concerned, and which it should not overlook. Firemen who sacrifice their lives to save the lives of others and prevent devastation of property are entitled to the consideration of the State, and their dependents should be provided for by the State. Pensions for school teachers is a public question, ready for decision, and manifestly within this division of insurance. Especially is this true with our sisters in that profession. The very nature of their employment results in the consecration of their lives for human betterment and advancement; their daily life is an unuttered prayer; their work bears the impress of inspiration; their continued service is stamped with self-denial; their vocational future is perilously uncertain. At an age when experience counts as an asset in other callings, an uncharitable public has decreed for them an age limit and requires the substitution of younger blood; they are then cast into a field of competitive labor, without experience, disheartened and shorn of ambition. They are admittedly underpaid. Should we not appreciate the grandeur of their work and bring to their old age a beauty and peace, rather than poverty and a struggle for existence, by granting to school teachers a suitable pension after they have reached the age limit decreed by the public?

The need for relief necessitated by these conditions imposes a duty upon the part of the State to society. This relief can best be extended by a system of State insurance which may be classed not only as social, but as shelter insurance. By administering such insurance the State only performs an obvious public duty. Unquestionably, the accumulation and distribution of the necessary insurance fund to meet such needs can be better and more safely done by the State than by private insurance institutions.

THE ADMINISTRATION OF SOCIAL INSURANCE

by the State is manifestly an economic and social necessity, still the actual exercise of this State function so that the greatest possible good may be obtained without resultant harm will challenge the tact and genius of our greatest social students. It must be so conducted as not to lead those within the scope of its relief to treat it as an eleemosynary institution; it must be administered in such a manner as not to destroy ambition, thrift and industry; the shiftless and the idle must not anticipate protection in any event, and therefore disregard methods of economy and shun labor; it must be so administered as not to permit the young man to recklessly spend his earnings, energy and vitality in the assurance of protection to be furnished him in old age; it must be so administered that the benefits will come as a protection deserved, and not as a matter of charity.

There appearing sufficient reason why social insurance should be administered by the State, then there arises the question of determining the line of demarcation between social insurance, in which it is the duty of the State to engage, and general lines of insurance, in which the State should not invade. In any event, the State should not absorb the business of insurance, except in so far as public welfare demands it, and this to be determined by the necessity and extent of service required by society, and the duty of the State to serve it. While the terms "Public Welfare Insurance" and "Social Welfare Insurance" rather imply than define "Social Insurance," as I have used it, yet they aid in determining the dividing line.

THERE APPEARS TO BE NO REASON

why general lines of life, fire, casualty and surety insurance, etc., should be invaded by the State, as public welfare does not seem to require it, and as such insurance can safely and properly be furnished by private insurance institutions, under careful supervision and regulation, at reasonable premium rates, with efficient service, without the State assuming paternalism.

Advocates of State insurance are not uniform in their views of demands. The agitation for State insurance raises many questions, such as these: Shall the State wholly absorb the business of insurance? or shall it engage only in certain divisions of insurance? or shall it enter into open competition with private insurance institutions? Again, shall insurance be compulsory, or optional? also, shall there be no responsibility upon the State other than to administer the insurance fund? or shall it assume financial responsibility for its policies?

In discussing this question, I shall assume that the State, if it undertake to furnish insurance covering the general lines of life, fire, casualty, surety insurance, etc., will supply all public demands and requirements. If it does not do this, it will fall far short of its purposes in its undertaking. An elastic system of insurance entirely adaptable to the ever-changing conditions of social and economic life is imperative.

There is no granary of benefits at the beginning of State insurance. It is not like unmined ore that lies hidden away pending discovery and development. There is no magic fund merely awaiting distribution among the public. The fund which is finally to be distributed as benefits through State insurance must first be created and accumulated. It must be safely kept, wisely invested and equitably distributed. These things are inherent in all systems of insurance, whether state or private.

COMPULSORY STATE INSURANCE

covering the general lines named is clearly beyond the province of the State and an unwarranted encroachment upon private rights. Optional State insurance covering such lines is at a marked disadvantage in competing with the private plan, as its risks must necessarily be confined within State boundaries, thus limiting its field of operation, making insecure and unserviceable existing experience tables and creating a chaotic condition in a highly technical field of endeavor.

Competitive State insurance would require the State to adopt as efficient business-getting methods as are employed by private insurance institutions. The State would have to tender the same ingenious policies and offer the same diversified forms of protection as are now furnished by the private plan. In fact, to succeed, it would have to lead in the field of competition. To do this it must have an adequate agency force, and if no separate agency force is established, then such officers as come in direct contact with the public, as collectors, assessors, etc., would of necessity have to become duly authorized insurance representatives. No one has so far been able to devise a successful system of optional State insurance without an equal cost for acquisition of business to that of private institutions. It follows that any curtailment of necessary expense in business acquisition is attended by a proportionate decrease in business produced, which results in a corresponding economic waste, caused by loss from the uninsured. To warrant State insurance there must be insurance ills. If State insurance is to be relied upon to correct these ills, then its operation must be broad enough to fully effectuate its purposes; but if, when adopted, a restricted and imperfect operation follows, it will bring to the field of insurance new and greater ills.

One of the necessary attributes of insurance is service. The best service emanates from the ripest experience and from undisturbed business methods. Owing to the ever-changing political conditions, the opportunity for efficient State insurance service cannot exist, and cannot favorably compare with the usual service of private institutions.

THERE IS NO JUSTIFICATION

for a State becoming an insurance experimental station, unless some existing conditions affirmatively demand it. Such conditions do not now exist, and there is nothing to forecast such conditions in the immediate future. While every benefit sought by the most hopeful advocate of State insurance, covering the general lines I have named, can be brought about in an open field of competition by private insurance institutions, yet, as a word of warning to the life companies, the sub-standard, or rather near-standard, risks must have an opportunity to obtain protection, and while this protection can best be furnished by private insurance institutions, yet an opportunity must be given this class of risks to obtain insurance.

In considering this question, the danger from paternalistic assimilation of private rights of citizens by the State should not be overlooked. The ordinary functions of a State should be broadened and State activity in behalf of its people should be encouraged; however, this may be done without the State becoming ultra-paternalistic. Restriction of human endeavor and the absorption of legitimate vocational pursuits of private citizens is contrary to the fundamentals of our government. The State's activity should not extend into visionary fields or unfathomed channels in the adoption of unnecessary, burdensome,

Digitized by Google

impracticable and unwieldy projects. Arbitrary limits of the functions of a State cannot at any one time well be set, and must depend and shift with the status of society; but, unless there are some restrictions against its useless invasion of forms of economic life, a State is apt to become officiously paternalistic to a very marked degree.

State insurance means the death of fraternal insurance. Fraternal insurance should neither be commercialized nor killed. The spirit of the brotherhood of man has been truly exemplified through fraternal insurance institutions throughout the country. Through the inter-relation existing among all fraternal insurance organizations, this spirit has pervaded the masses, and its reflection is far-reaching in every channel of social existence; hence, its destruction should be averted.

FRATERNAL INSURANCE

has always been the closest insurance to the public, and the purest method of bearing its burdens. Kindly association, visitation in sickness, sympathy in distress, brotherly help in everyday life, assistance and consolation at the grave—are benefits incident to fraternal insurance that premiums cannot buy, but which are given in addition to the full payment of benefit certificates.

Fraternal insurance societies have been the messengers that have primarily carried protection to the uninsured and taught him insurance. They have importuned him to become associated with their organizations and have brought him to a realization of his duty toward his family. In doing this, they have cultivated the insurance field and have contributed much toward educating the insuring public to a realization of the necessity of carrying insurance, and have made the pathway easy for the rapid progress of their Legal Reserve brother.

Recent years have brought a marked fertilization in the development of insurance institutions, and a general awakening in the arena of insurance. Many unwieldy, impracticable and imperfect systems of insurance have been supplanted with such systems as now make the business safe, steady and sure-footed. With the insurance business, in the general lines I have named, being operated in perfect harmony, with its purposes fully astride of progress and with its stability and permanency established, I can see no reason for revolutionary ideas upon the insurance situation at this time. No extraordinary conditions have arisen to cause a general pronouncement against present insurance methods. There appears to be no need of insurance being fundamentally worked over; it simply needs careful and judicious supervision and regulation. With proper regulation and supervision of all insurance institutions, we will then have State insurance to all practical intents and beneficial purposes, without the State assuming financial responsibility and without the confiscation of private property.

It is true that insurance, like all other lines of industry, is invaded with shrewd and crafty criminals, continually plotting to deceive public officials and perpetrate fraud upon the insuring public, whose entire operations are destructive to the insurance business. But in Illinois the closing day upon this class of insurance pirates is fast approaching, and I predict that within one year they will have sought safer fields for their operations. On the other hand, men of the highest intelligence and purest motives have applied their genius and devoted their energies to insurance as a life vocation. They have solved its technical and intricate problems; they have scientifically compiled experience and liability tables in obedience to the inherent laws of insurance; they recognize that insurance to survive must meet public needs and demands, and must be conducted as an open book; they have standardized the business; they obey the statutes of the States and co-operate with supervising public officials in bringing to the public the greatest possible good.

NO INSURANCE INSTITUTION

can be made better than the law of the State in which it is domiciled or operates, but proper State supervision will make it as good as the law that permits and controls its existence. There is a present-day duty that all supervising insurance officials of all States must not overlook; that is, they should unravel the insurance laws of their respective States, work out their inconsistencies and enigmatical provisions, and present to their respective legislatures a reconstructed insurance act embodying all necessary reforms, as well as all progressive methods of protection, making the statutes of the various States as nearly uniform as can be, consistent with the constitutions and local conditions of the several States.

With insurance being the answer to economic ills, and with the policyholders relying upon departmental supervising officials to protect their rights, then the work of the supervising official must be done with a searchlight. It is not sufficient to check up the annual statements filed with the departments by insurance institutions, nor to verify the correctness of the figures tendered to the departments; but a thorough and complete verification and investigation of every book, record and document that may in any manner disclose the exact condition of each insurance institution is imperative, and must be made. If any insurance company is found lax in its business methods, operating under a system that is in defiance of the State statutes or inherent laws of insurance, then such action as may be within the legal power of the supervising official should be taken to protect the public and bring such institution within these laws.

Careful supervision and investigation of insurance institutions will strengthen and not disturb them. The trend of the times is not toward State insurance, but strongly toward proper State insurance supervision and regulation; not that such shall extend to the substitution of the judgment of the supervising official for that of the executives of insurance organizations, so long as such organizations comply with the statutory enactments, the inherent laws of insurance, carry out their purposes and remain solvent; but supervision should extend to that point where, when a company is licensed and its annual statement approved by the insurance department, a deaf, dumb and blind applicant for insurance can accept its policy with the full assurance that the contract given will be honestly and faithfully fulfilled.

Insurance Legislation.

Maryland.

ANNAPOLIS, April 9.—The legislature adjourned on April 7. The Hammond workmen's compensation bill passed both houses, but owing to a failure of the telegraph service the remainder of the report is delayed until next week.

Massachusetts.

BOSTON, April 9.—After a long debate on Tuesday afternoon the House accepted the report of the committee on insurance, "leave to withdraw," on House Bill 626, to compel the separation of investments and insurance accounts by companies writing both participating and non-participating policies.

New Jersey.

TRENTON, April 10.—The 138th session of the New Jersey legislature adjourned last night. The following are among the insurance bills to pass both houses:

Senate Bill 54 (Edge), to define "dependents" under the workmen's compensation law.

Senate Bill 247 (McGinnis), providing for the revocation of the license of foreign insurance company which removes actions from the State courts to the Federal courts.

Senate Bill 278 (Edge), prohibiting the misrepresentation of life insurance policies.

Senate Bill 288 (Barber), extending the provisions of the workmen's compensation law to employees in mines and quarries.

House Bill 594, amending the workmen's compensation law so as to include hospital expenses during the first two weeks.

The House killed Senate Bill 211, requiring the reporting of all reinsurance premiums.

The Senate defeated House Bill 323, as amended, providing a $25 license fee for fire loss adjusters.

The "strike" resolution to provide for an investigation of industrial life insurance, which was introduced in the House and promptly reported by the judiciary committee, was never voted on. The Richards bill, which would have prohibited all association of fire insurance companies for rating purposes, was passed by the House, but the Senate did not consider it. It did not leave the committee.

Digitized by Google

New York.

ALBANY, April 9.—Governor Glynn has signed the following bills:

Senate Bill 118 (Rampsberger), providing that all deposits heretofore or hereafter made with the superintendent of insurance by insurance companies shall be held in trust according to law, without preference or priority to any beneficiary.

Senate Bill 1001 (Rampsberger), providing that any corporation having less than eighty millions of insurance in force may incur a total of expenditure exceeding the limits of expenditure as herein defined by an amount not greater than prescribed percentages of its loading for preceding calendar year.

House Bill 821 (Horton), permitting the superintendent of insurance to issue adjusters' certificates of authority to those whom he deems to be trustworthy and competent, instead of to those who are trustworthy and competent, the provision requiring a hearing before the revocation of a certificate is stricken out, as is also the provision making the action of the superintendent, in revoking such a license, subject to review by writ of certiorari.

House Bill 603 (Fuller), providing that no service upon the superintendent of insurance, as the attorney for a foreign fraternal beneficiary society, shall be valid against any such society when it is required to file its answer, pleading or defense in less than twenty days from the date of mailing a copy of such service to the society.

Senate Bill 907 (Rampsberger), amending Subdivision 2, Section 242, and Section 245, relative to fraternal benefit societies, by providing that the excess of the present value of future contributions over the present value of promised benefits under certificates for disability benefits, other than total permanent disability in combination with death benefit, shall not be allowed a reduction of liability under other forms of certificates; and relative to exemption of certain societies.

Senate Bill 845 (Rampsberger), amending Section 70, authorizing the incorporation of life, health and casualty companies for the purpose of insuring against loss or damage to elevators or other property, except by fire, caused by the maintenance, operation or use of elevators, and including loss by legal liability for damage therefrom and against damage from loss or use or occupancy of premises by reason of the breakage or leakage of sprinklers, pumps or water pipes.

Rhode Island.

PROVIDENCE, April 9.—Bills introduced:

Senate Bill 197 (Pierce), to create an industrial commission to prepare and report to the General Assembly legislation creating a permanent industrial commission, providing a labor code, framed upon the principles herein declared or declared in such act, and covering the subject of the prevention of and compensation for industrial accidents and occupational diseases, of factory inspection and regulation of hours of labor for male and female employees, of minimum wages for male and female employees, of the abolition of factory labor by married women, of the prevention of overspeeding of machinery, of child labor; and vesting in such permanent industrial commission the fullest powers of investigation and administration of the labor code with power to make all needful rules to give effect to the principles of such code. Such act to be reported by the commission hereby created shall be for the purpose of substituting for piecemeal legislation a comprehensive and permanent settlement of the labor problem, with provision for securing necessary uniformity among the States.

STATEMENT OF OWNERSHIP, MANAGEMENT, CIRCULATION, ETC.,

of THE WEEKLY UNDERWRITER, published weekly, at New York, N. Y., required by the Act of August 24, 1912.

Editor, George W. Olney, New York, N. Y., 80 Maiden lane.

Managing Editor, Mott A. Brooks, New York, N. Y., 80 Maiden lane.

Business Manager, L. Alexander Mack, New York, N. Y., 80 Maiden lane.

Publisher, The Underwriter Printing and Publishing Co., New York, N. Y., 80 Maiden lane.

Owners: (If a corporation, give names and addresses of stockholders holding 1 per cent. or more of total amount of stock.)

L. Alexander Mack, New York, N. Y., 80 Maiden lane.

Known bondholders, mortgagees, and other security holders, holding 1 per cent. or more of total amount of bonds, mortgages, or other securities: None.

L. ALEXANDER MACK, Business Manager.

Sworn to and subscribed before me this 30th day of March, 1914.

H. R. Ray,

Notary Public Kings Co., No. 44.

Certificate filed in N. Y. Co., No. 20.

[SEAL.] (My commission expires March 30, 1914.)

Firemen's Insurance Co.

NEWARK, N. J.

STATEMENT JANUARY 1, 1913

Capital Stock, - - - -	$1,000,000.00
Reinsurance Reserve, -	2,781,578.19
All other Liabilities, -	331,961.11
NET SURPLUS, - - -	2,723,239.49
TOTAL ASSETS, -	$6,836,778.79

DANIEL H. DUNHAM, President — CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary — JOHN KAY, Treasurer

20% MORE WEEKLY INDEMNITY

OR

50% LARGER DEATH INDEMNITY

AT

NO INCREASE IN PREMIUM RATE

Agents who solicit "PREFERRED" accident risks will be interested in our new policies.

The Preferred Accident Insurance Co. of N. Y.

KIMBALL C. ATWOOD, President

290-292 Broadway, New York

NORD-DEUTSCHE

INSURANCE COMPANY

OF HAMBURG, GERMANY.

ESTABLISHED 1857

Assets January 1, 1914		$1,439,399.53
Liabilities	" "	579,631.12
Surplus	" "	859,768.41

U. S. BRANCH, 123 WILLIAM ST., NEW YORK

J. H. LENEHAN, UNITED STATES MANAGER

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.

INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY 1st, 1913.

Assets	$2,464,562.05
Surplus in United States	1,018,318.63

Digitized by Google

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Postpaid $4.00

By EVERETT U. CROSBY and HENRY A. FISKE

A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10

By A. M. SCHOEN

Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10

By W. D. MATTHEWS

What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00

By WILLIAM ARTHUR

This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company

Incorporated

P. O. Box 617 LOUISVILLE, KY.

The Fidelity and Casualty Company

of New York

92 LIBERTY STREET, NEW YORK, N. Y.

ANNUAL STATEMENT, DECEMBER 31, 1913.

Assets	$11,063,356.70
Liabilities	8,055,163.65
Capital	1,000,000.00
Surplus over all liabilities	2,008,193.05
Losses paid to December 31, 1913	44,841,703.50

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny and Theft Insurance; Plate Glass Insurance; Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam-boiler Insurance; Fly-wheel Insurance.

NOW IN PREPARATION

THE RECORD OF

FIRE INSURANCE BY STATES

The Standard Authority on Fire Insurance Results, Classified by States

The information contained in this record is classified by States for each and every company, and includes:

Risks written . . . . 1880 to 1912 inclusive, and 1913.
Premiums received . 1880 to 1912 inclusive, and 1913.
Losses paid . . . . . 1880 to 1912 inclusive, and 1913.
Losses incurred in 1913.
Loss Ratio for 34 years and for 1913.
Average rate of premiums in each State.
Average loss ratio for each State for 34 years.
Year each company entered each State, and number of years each company has transacted business therein.

PRICE, $15.00 Per Copy *SOLD ON ADVANCE SUBSCRIPTION ONLY* **ORDER NOW**

SAMPLE PAGES ON REQUEST

THE WEEKLY UNDERWRITER 80 MAIDEN LANE NEW YORK, N. Y.

Digitized by Google

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

10 SOUTH LA SALLE AT MADISON STREET

The Connecticut Mutual Life Insurance Company

President JOHN M. TAYLOR, Hartford, Ct.
Insurance in force, 91663 Policies for $218,304,660

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policy-holders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1913	$287,442,080.61
Total returned to Policy-holders, as above noted, in same period	296,862,956.74
Excess of amount returned	9,420,876.13

COMMERCIAL UNION ASSURANCE CO.

LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.

55 JOHN STREET, NEW YORK.

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President
The Manhattan Life Insurance Co.
66 Broadway, New York

Digitized by Google

The Employers' Liability Assurance Corporation

(LIMITED)

OF LONDON, ENGLAND

$5,935,585.61

deposited in the United States for the benefit of United States Policyholders

SAMUEL APPLETON, United States Manager
Employers' Liability Building, 33 Broad Street, Boston, Mass.

DWIGHT & HILLES
Resident Managers for New York State,
56 Maiden Lane, New York.

London & Lancashire Fire Insurance Co., Ltd.

OF LIVERPOOL, ENGLAND

LONDON & LANCASHIRE FIRE INSURANCE COMPANY LTD.

EASTERN DEPARTMENT
Hartford
CONN.

A. G. McIlwaine, Jr.
Manager

PERMANENT AND PROGRESSIVE
ORGANIZED 1886
NORTH AMERICAN ACCIDENT INSURANCE CO.
THE ROOKERY
CHICAGO
AGENCY OPENINGS IN 44 STATES

204TH YEAR

SUN INSURANCE OFFICE

OF LONDON

FOUNDED 1710

United States Branch: 54 PINE STREET, NEW YORK

Western Department:
39 South La Salle Street
CHICAGO

Pacific Department:
N. W. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

MEN WHO CAN DO THE WORK

are offered remunerative positions as field representatives in desirable territory. Good places are always open to the right men—those who can produce applications and collect premiums.

UNION MUTUAL LIFE INSURANCE COMPANY
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address ALBERT E. AWDE, Supt., 396 Congress Street, Portland, Maine.

BANKERS LIFE COMPANY

DES MOINES, IOWA ORGANIZED 1879

Insurance Issued and Restored
1913 (Paid for) $60,907,000.00
Increase in Admitted Assets for Year $2,630,411.43
ERNEST E. CLARK, President

GREAT NORTHERN LIFE INSURANCE COMPANY of WAUSAU, WISCONSIN.

An Honest Contract, sold by Honest Men, by Honest Methods.

Permanent connection for desirable agents to sell life insurance

NEAL BROWN, President
WILLIAM A. FRICKE, Vice-President and General Manager

London Assurance Corporation

CHARTERED A. D. 1720
STATEMENT JANUARY 1st, 1912

Assets in U. S., - - - - - - - -	$3,747,331
Liabilities in U. S., including Re-insurance Reserve,	2,520,923
Net Surplus, - - - - - - - -	1,226,408

Losses Paid in the United States over $29,000,000
CHAS. LYMAN CASE, Manager.
84 William Street New York

"STRONG AS THE STRONGEST"
THE NORTHERN ASSURANCE CO.

(Ltd. of London)
ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid	$85,000,000
Losses Paid in the United States	$28,000,000

EASTERN AND SOUTHERN DEPARTMENTS,
Company's Building, 55 John Street,
New York

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.

OFFICE:
25 LIBERTY STREET.

HANOVER

Agencies
in all the Principal Places
in the United States.

Fire Insurance Company
OF NEW YORK.

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, . . . 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

(FIRE)
German American Insurance Company
New York
STATEMENT JANUARY 1, 1914
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature
W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE
is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address
The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.
Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

PHŒNIX
ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

GERMANIA
FIRE INSURANCE COMPANY
Organized 1859 NEW YORK
STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

FIDELITY (FIRE) UNDERWRITERS of New York

Combine the assets of two of the largest companies with the highest sense of liberality and fairness.

Combined Assets $42,586,574 Policyholders' Surplus $23,743,555

Home Office:
80 Maiden Lane, New York

Western Office:
332 South LaSalle Street, Chicago

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to

GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

THE WILLIAM H. KENZEL CO.
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 22rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, JR.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

"CHEERFUL YESTERDAYS— CONFIDENT TO-MORROWS."

Our Field force is "Cheerful" over the yesterdays of 1913—both issues and deliveries were larger than in the phenomenal year 1912. Our field force is "Confident" in respect to the "To-morrows" in 1914. Already they have made a fine start, and they face the future fearlessly, filled with faith in their country, with pride in their business and with devotion to their Company. Occasionally we have an agency opening for a delivering producer.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST
SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers,
Middle Department.....434 Walnut St., Philadelphia

Digitized by Google

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:

80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:

Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:

Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:

444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

JOHN W. GUNN, Manager.
R. P. FABJ, Assistant Manager.

"IT PAYS TO WORK FOR

THE UNION CENTRAL"

LIFE INSURANCE CO.

OF CINCINNATI, O.

Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

OFFICES FOR RENT in the NEW UNION CENTRAL BUILDING

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

Fifty

Workmen's Compensation Acts!

Twenty-six Laws in the United States!
Twenty-four Laws in Europe, Canada and Mexico!
Digested and Compared in

The Insurance Almanac for 1914

SOON READY

Company Information (covering all kinds of insurance).
- Officers, Directors, Territory covered, and Lines Written.
- Statistics for 1914.
- Life, Fire and Miscellaneous Companies.
- Lloyds, Inter-Insurers, Underwriters' Agencies, Etc.
- New Companies and those which ceased business in 1914.

Associations of Underwriters (National, State and Local).
- Who's Who, What they are, where and when they meet.
- Companies belonging to Unions and Bureaus, and other Associations.

The State—Legal Information, Etc.
- Governors, Insurance Department Officials, Etc.
- Congress and the Legislatures.
- Dates of forthcoming Legislative Sessions.
- New Laws enacted by the last Legislatures.
- Statutory Requirements in the different States.
- States having particular laws—Anti-Compact, Standard Policy, Etc.
- Fire Marshals, Salvage Corps, Fire Prevention Associations, Etc.

ALL YOURS FOR ONE DOLLAR!

$..... .....19..

THE WEEKLY UNDERWRITER

EIGHTY MAIDEN LANE, NEW YORK, N. Y.

Is hereby authorized to send.....cop.....of THE INSURANCE ALMANAC for 1914, for which we agree to pay.....dollars on delivery.

	PRICE
$1.00	Per Copy
$10.00	Per Dozen
$75.00	Per Hundred
$500.00	Per Thousand

....

....

Digitized by Google

Purely Mutual — Chartered 1857

The

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

INSURANCE IN FORCE, $1,304,385,035

SATISFIED POLICYHOLDERS to the number of 13,073 (out of 45,862 persons applying) purchased additional insurance in 1913.

NORTHWESTERN POLICIES are easiest to sell and stay longest in force.

AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.

INCOME INSURANCE
CORPORATION INSURANCE
PARTNERSHIP INSURANCE

It Will Pay You to Investigate Before Selecting Your Company

Write to H. F. NORRIS, Superintendent of Agencies
MILWAUKEE, WISCONSIN

LARGE "DIVIDENDS"
LOW COST
SERVICE POLICY

P839

National Life Insurance Company

of the United States of America

NATIONAL LIFE BUILDING, CHICAGO

ALBERT M. JOHNSON, President

FINANCIAL CONDITION JANUARY 1ST, 1914

ASSETS		LIABILITIES	
Bonds and Stocks (Market Value, Dec. 31, 1913)	$5,255,619.06	Net Policy Reserve	$10,196,764.93
First Mortgage Loans (Secured by Realty worth $10,196,800.00)	3,157,041.80	Trust Fund Reserve	53,079.21
Loans to Policyholders (Secured by Reserve, $3,966,570.00)	2,031,572.46	Premiums Paid in Advance	18,449.32
Cash in Banks on Interest	778,942.87	Death Losses—Proofs Incomplete	40,836.98
Cash in Office and Banks not on Interest	29,845.78	Accrued Taxes	92,700.39
Net Deferred Premiums and Premiums in Transit (Reserve charged in Liabilities)	301,577.19	Unearned Interest	41,473.14
Real Estate	255,638.09	All other Liabilities	71,160.19
Interest Due and Accrued	95,218.56	Capital Stock	$500,000.00
Loans on Approved Collateral	60,845.47	Surplus Apportioned and Unapportioned	954,787.12
All Other Admitted Assets	2,950.00	Excess Security to Policyholders	1,454,787.12
Total Admitted Assets	**$11,969,251.28**	**Total Liabilities**	**$11,969,251.28**

RECORD OF 1913

Insurance Written (Paid-for Basis)	$14,067,183.74
Increase in Income	450,922.21
Increase in Assets	305,645.36
Dividends Paid Policyholders	158,436.75
Total Paid Policyholders	2,324,230.99
Insurance in Force (Paid-for Basis)	79,261,723.83

GAINS DURING FIVE YEARS, January 1st, 1909 to January 1st, 1914

INCREASE in Surplus Funds	$405,415.90
INCREASE in Yearly Income	1,227,252.40
INCREASE in Assets	3,104,304.88
INCREASE in Insurance	34,911,333.76
Total Paid Policyholders since organization and now held for their Protection	33,533,509.98

CHICAGO'S OLDEST AND STRONGEST COMPANY

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1869.

VOL. XC. NEW YORK, SATURDAY, APRIL 18, 1914. No. 16.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

ONE of the most important of the matters discussed at the Chicago meeting this week of the National Convention of Insurance Commissioners was that of adequate rates for workmen's compensation insurance in New York State. Under the law the New York Insurance Department is given the supervision of rates for this class of insurance, and the paper read by Assistant Chief Examiner Leon S. Senior, who has been placed in charge of the workmen's compensation insurance department, illustrates the position of the New York department and contains some suggestions which will be read by underwriters with great interest. The address of Mr. Senior is printed in full in this paper in connection with the account of the proceedings at Chicago.

THE insurance business of a country is usually affected by great national commotions, and there may be some speculation already in insurance circles as to results if this nation, notwithstanding Mr. Huerta's momentary conciliatory attitude, should drift into a war with Mexico. It does not appear that the influence on fire insurance would be important, unless the conflict should be long continued and draw heavily on the public resources—which conditions are not probable. If we are obliged to intervene with the army and navy in Mexico we are strong enough to march to its capital city, sweeping the already exhausted soldiery of the country from before us and in short order establish a police system of peace restoration, as we have had to do on two occasions in Cuba. We can afford to do nothing less, out of respect to national prestige, if we once start. As for life insurance, a few of our American companies, particularly the New York Life, Equitable and Mutual Life of New York, have had offices and transacted some business in Mexico. The long reign of Diaz gave that country so much quietude that business enterprises from outside was encouraged and the life underwriters took advantage of the opportunity. But the volume of business has never been large. The fire underwriting there has been done principally by British and continental companies. The prospects are, then, that hostilities and the occupation of Mexican territory will not materially concern American insurance, unless there should be other foreign complications with a long war and a great loss of life and expenditure of money.

REFORM in the fire alarm system of the City of New York is again being agitated and the call for improvement should not be allowed to subside without action, as it has been on previous occasions. In 1904 the New York Board of Fire Underwriters appointed a special committee to investigate the condition of the system, making a considerable appropriation therefor, and the committee of which Mr. Shallcross, of the Royal, was chairman made a report recommending the establishment at once of "a new fire alarm system separate and distinct from the present one and that when the new system has been established and is in working order the old one should be abandoned and dismantled." This report was followed by the appropriation by the Board of Aldermen of twenty-five thousand dollars "for the preliminary studies, plans and specifications for the building establishment and equipment of a new fire alarm system in the Borough of Manhattan." Two experts were employed to provide these plans, and when they reported them the estimate of cost that went with them was $2,680,000. The matter of expenditure was referred to the Board of Estimate and there the modernization movement ended. The reform has been discussed frequently since then without progress. With an excellent fire department and water supply the cause of the continued high fire loss rates of Manhattan must be charged to its defective fire alarm machinery and we join our contemporary, the *Eastern Underwriter* and the fire insurance community, in asking the attention of the new city administration to the momentous subject.

AN amendment to the Workmen's Compensation Law making it applicable to municipal employees also, appears to have slipped through the New York legislature in its later moments without much notice, and now the authorities on workmen's compensation laws are puzzling their wise heads as to whether the amendment can pass the ordeal of the courts. Its purpose is to cover all city servants who may be injured while in its employ, and this includes policemen, firemen, street cleaners, even the mayor and the higher officials. There are about 100,000 of such employees in the State. The cities may insure them in the liability companies, mutual companies or the State fund, or carry the insurance themselves, with the permission of the State Workmen's Compensation Commission. Here is a wide opening for additional insurance business, for if the plan is effective in New York it will undoubtedly extend to other States. We can excuse our near friends, the liability companies, if they are naturally interested in the validity of the new feature in the law. One of the authorities on workmen's compensation laws,

Digitized by Google

to which allusion has been made, is Professor Parkinson of Columbia University, and he is full of doubts. Discussing the question in a communication to the City Chamberlain he says:

While it was unquestionably the purpose of the bill to so amend the original compensation act as to bring the city and its employes under the act, there is, unfortunately, grave doubt of the legal effect of the amendments. The Legislature amended the term "employer" so that it includes the State and its cities, but the Legislature did not change the original definition of "employment." It would seem, therefore, that while the city is now within the term "employer," as used in the act, it is responsible for compensation under the act only where it can be shown to be carrying on an employment for pecuniary gain. No employments are affected by the act unless they are included in the groups described in it, and the only ones that seem to me to include the functions or the activities of the City of New York are the construction, operation, repair, etc., of railways (subways) and possibly telegraph or telephone lines, the operation, repair, etc., of vessels, paving, sewer, and subway construction and similar work; operation of stationary engines and boilers; operation on the street of cars, trucks, other vehicles, etc. Assuming that the act applies to the city at all, it may be held that it applies only to the employes engaged in those activities which fall within the groups, or it may be held that because some of the city's activities fall within those groups, therefore all the employes of the city are within the act. I do not believe this interpretation can be sustained.

It looks as if the question whether the "cops," "smoke eaters," "white wings" and His Honor, the Mayor, can obtain succor under the compensation act in case of physical bruises must be determined by the courts.

Fire Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

May 5-7—National Fire Protection Association at Chicago, Ill.

May 17—Committee on blanks, National Convention of Insurance Commissioners at Hotel Manhattan, New York City.

May 19-20—National Association of Manufacturers at Waldorf-Astoria, New York City.

May 28—National Board of Fire Underwriters at Waldorf-Astoria, New York City.

May 28-29—New York State Association of Local Fire Insurance Agents at Rochester, N. Y.

May—South-Eastern Underwriters' Association at Greenbriar Springs, West Virginia.

June—Insurance Institute of America at Philadelphia.

June 10—Executive committee, committee on blanks, committee on fire insurance rates and regulation, and committee on standard fire policies of the National Convention of Insurance Commissioners at Hotel Astor, New York City.

August or September—National Association of Insurance Agents at Minneapolis, Minn.

September 15-18—Fire Marshal's Association of North America at Asheville, N. C.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16—Western Union at Hotel Traymore, Atlantic City, N. J.

October 20-23—International Association of Fire Engineers at Hotel Grunewald, New Orleans, La.

A statement was given out by the New York Insurance Department this week with reference to the work of the **liquidation bureau** of the department as follows:

The success of New York State in doing away with costly receiverships for insurance companies that become insolvent has attracted the attention of most of the other States and inquiries are being constantly made concerning the methods employed in substitution. The Insurance Department maintains in its liquidation bureau a single organization for the winding up of the business of all delinquent insurance companies. Each company pays its proportion of the actual and necessary expenses of all, and thus avoids the burdensome expense of maintaining a separate organization for an indefinite period in charge of a receiver. More than fifty insurance corporations having assets aggregating a little more than five million dollars have passed into this bureau, and the business and affairs of thirty of such companies have been completely liquidated.

Commissioner Hardison, of Massachusetts, recently made inquiry as to the methods pursued, and a full explanation was sent him for use before the Massachusetts Legislature in connection with a bill establishing the system of departmental or Government liquidation in that State. The chief of the liquidation bureau, a salaried employe of the Insurance Department, acts as a substitute both for receivers and receivers' attorneys. As an expert in this line of work he is more familiar with all kinds of insurance transacted by companies coming into liquidation and can get to the seat of trouble more quickly than general practitioners and without the necessity of giving the problem months of preliminary study. As a result he has wound up the affairs of fifteen co-operative fire insurance companies, in nearly every case paying debts in full and not falling below 96 per cent. in any case, while of the many liquidations of such companies that went before him only one receiver was able to raise enough money to pay more than the expenses of the proceeding. In the case of the People's Mutual Life Insurance Association of Syracuse, $2,870,472.47 was paid to policyholders at an expense of less than 1 per cent; whereas previous liquidations on the same scale cost 10 per cent., or more than ten times as much. Pennsylvania and Virginia already have liquidation laws modeled on that of New York, and the Insurance Commissioners of other States intend to bring the question of State liquidation to the attention of their Legislatures, so that New York's method may be more extensively adopted.

The **Fire Brokers' Association of the City of New York** has elected the following officers: President, A. C. Hegeman; vice president, F. S. Little; treasurer, F. W. Stillman; secretary, George W. Will. The following are the standing committees for the ensuing year:

Membership.—Julian Lucas, Jr., chairman; Warner J. Roberts, John A. Eckert, Clarence G. Friend, F. C. Carr.

Grievance Committee.—F. S. Little, chaiman; John A. Eckert, George W. Will, F. W. Stillman, A. E. Coe.

Finance Committee.—R. Henry Depew, chairman; F. W. Stillman, Seelye Benedict, William C. DeLanoy, Percy S. Mallett.

Committee on Matters Relating to Laws and Legislation.—John A. Eckert, chairman; Julian Lucas, Jr., R. C. Rathbone, 2d.

Committee on Matters Relating to Liability and Compensation Insurance.—R. C. Rathbone, 2d, chairman; Frederick E. Driggs, Warner J. Roberts, John A. Eckert, George W. Will.

Committee on Matters Relating to Suburban Insurance Exchange.—John A. Eckert, chairman; Edward M. Van Buren, George W. Will, Charles X. Cordier, Jr.

Committee on Matters Relating to New York Fire Insurance Exchange.—R. C. Rathbone, 2d, chairman, with power to appoint balance of committee.

An exhibit issued by President E. G. Snow of the Home showing how the **1913 premium income** of the company was distributed shows the following:

Paid in loss claims	52 52-100c
Paid insurance and State departments, taxes, licenses and fees	3 03-100c
Paid for field supervision, State and special agents	3 97-100c
Paid for commissions	21 16-100c
Paid for printing, advertising and supplies	2 15-100c
Paid for administration	5 96-100c
Set aside for reserve required by law	7 59-100c
	96 38-100c
Underwriting profit carried to surplus held for additional protection of policyholders	3 62-100c
Grand total	100 cents

The statement further points out that no part of the premium income was paid out in dividends.

An interesting tabulation has been made by the Chicago *Record-Herald* of the **Missouri results for 1913** for fire insurance companies writing more than $150,000 in the State. Owing to the suspension of business by the outside companies for more than four months, some interesting changes resulted. The seventeen companies which exceeded $150,000 in premiums had total premiums of $4,613,225, with a loss ratio of 73 per cent. The Connecticut had the worst experience with a loss of 103 per cent. on premiums of $180,235. All the companies showed a decrease in premiums as compared with 1912, except the American Central of St. Louis, which, being a home company, did not suspend,

Digitized by Google

and the Iowa State, a mutual, which stayed and pushed its farm business. The American Central had premiums of $369,212, an increase of $144,710, with a loss ratio of 46 per cent. The Iowa State had premiums of $331,910, an increase of $131,637, with a loss ratio of 51 per cent. The Home led in premiums with $592,786, followed by the Hartford with $460,000, the American Central and the Iowa State standing third and fourth.

The **Western Insurance Bureau,** at its meeting in Washington this week, re-elected Colonel E. G. Halle as its chairman, and he was empowered to appoint a committee of three to assist him in the work. Colonel Halle had requested that his successor be chosen on account of his ill health, but the bureau preferred to remain under the management of Colonel Halle, who has presided since its formation. The other officers were also re-elected, except that Charles L. Hecox succeeds H. W. Letton as treasurer. The bureau approved the action of the Western Union of the previous week in the matter of the commission rates for Chicago, Milwaukee and St. Louis, and agreed to make corresponding changes in other cities as agreed. Action as to Louisville will be deferred until the Kentucky situation is settled. Vice Chairman Neal Bassett presided at the meeting. The time and place of the next meeting will be made known by the executive committee within ninety days.

A writer on wholesale grocery warehouse conditions says that in the majority of cases outside of the large cities **floors are overloaded,** and a comparatively small fire will weaken them so they will give way. He points out that a pile of merchandise which has dropped from the second or third floor to the basement has very little value as salvage, though fire may not have touched it. The article continues:

> There is no rule by which a man can determine from casual inspection what the safe load of a floor is. However, for ordinary joist construction, the Chicago building department will allow only 100 pounds weight per square foot. As a single case of No. 3 tomatoes will weigh well on toward eighty pounds, and these are frequently piled eight to ten cases high, you can see why the overloading of floors is considered an important feature. Give the floors sufficient strength so that, even though the posts and timbers do char and their strength is materially reduced, the floor will not fall, and you will prevent what often happens in the case of a wholesale grocery fires, namely, a total loss.

An estimate made by Fire Marshal Mallory states that the **fire waste in Philadelphia** last year approximated $8,000,000, and gives "thoughtlessness, carelessness and uncleanly housekeeping" as the reason for more than one-half the fires. Mr. Mallory appealed for a general participation in the clean-up week, fixed for April 20 to 25. The following causes of last year's fires were quoted by Mr. Mallory:

> Fifty-five fires caused by ashes carelessly stored.
> Forty-five fires caused by combustible material stored around heaters.
> Eight hundred and seven fires caused by careless handling of matches.
> Fifty-six fires caused by rubbish improperly kept.
> Twenty-five fires caused by careless use of benzine, gasoline, etc.
> Twenty-three fires caused by fire communicating from open fireplaces.
> One hundred and eight fires caused by careless use of candles in closets.
> One hundred and twenty-six fires caused by gas jets in contact with lace curtains.

A **readjustment of commissions and brokerages** will be made in Chicago as the result of the new scale adopted by the Western Union at Philadelphia last week and confirmed by the Western Insurance Bureau at Washington this week. The same scale will be put in effect in Milwaukee and St. Louis. Under the arrangement between the two organizations the bureau is to adjust its commissions also in Kansas City, Denver, St. Paul and Minneapolis. By the plan adopted for Chicago the Class 2 agents will receive an increased commission in two of their three classes, while Class 1 agents will be allowed a slight increase for supervising certain business of companies not having salaried or department representatives in Chicago.

Fire Marks is the title of a booklet sent out by the Philadelphia Contributionship giving an interesting account of the significance of the fire plates formerly put on all insured houses, which practice this company still continues. These plates were first used in London immediately after the establishment of the London Fire Office, which succeeded the company founded by Nicholas Barbon. The Fire Office maintained a fire brigade, which would give its services only to properties marked as being insured by the Fire Office. The booklet tells how the fire brigades later extended their assistance to all houses attacked by fire, thus robbing the fire mark of its utility and making it merely a decorative or advertising device.

The report of Fire Marshal Trousdale of **Louisiana** says that there were 2,448 **fires** in the State last year, causing a loss estimated at $3,633,331. Regarding the State buildings Mr. Trousdale says:

> Substantial progress toward better fire protection is noted in some of our State buildings, but the great majority of them are woefully and sadly lacking in any elementary safeguards against incipient fires, much less any protection of consequence against conflagrations, said the fire marshal. For example, the State House is one of the worst fire hazards in the State of Louisiana, without any hose, fire pails, fire buckets, hand extinguishers or proper watchman's clock and stations, with a spiral staircase as the main and only exit from the legislative floor, and wooden stairways, all dark and inaccessible from the upper floors.

The Western Union made numerous changes in its organization at the Philadelphia meeting last week, the principal one being the reduction of the governing committee from eleven to nine and the increase of the joint conference committee from five to nine, the plan being that hereafter membership on these committees will be identical. This change was made to conform to a plan whereby co-operation with the Western Insurance Bureau will be made easier and more effective. The Union elected W. J. Dutton, J. L. Cunningham and R. Dale Benson to honorary membership and selected the Hotel Traymore, Atlantic City, and September 16 as the place and date for the next annual meeting.

In Ohio there is a **"clean-up—paint-up"** epidemic, which started at Cincinnati. Other cities in the State are following suit. Near the close of April many deputy State fire marshals, aided by local officers, will inspect the various cities and force those who have not responded to the call to clean up, to do so. Captain J. J. Conway, of the Salvage Corps, George W. Cleveland, manager of the Fire Prevention Bureau, and W. S. Diggs, president of the Insurance Federation of Ohio, have taken active part in the campaign, and have filled "clean-up—paint-up" speaking engagements in Cincinnati and elsewhere.

Suit has been started by Fire Commissioner Adamson against the Greenwood Cemetery Corporation for $1,500 damages, which the complaint says was caused by fire in a property on Ninety-sixth Street, in which the corporation had been ordered to install automatic sprinklers, but had not done so. The complaint charges wilful and culpable negligence by which injury was caused to many firemen besides the expense to the department in combatting the fire. The suit establishes a new precedent in the attitude of the fire department toward delinquent property owners.

Acknowledgment is herewith made of the receipt of the **Pacific Underwriter Insurance Chart for 1914,** which gives the Pacific Coast business of the various companies and much information about the companies themselves; also the 1914 edition of the **Insurance World Fire and Casualty Chart,** which gives a comprehensive history of the companies for thirty-four years,

Digitized by Google

with five-year and annual comparisons. It is a very handy publication, and the copy coming to this office is richly bound in leather.

It was expected that few fire insurance men will be able to meet with Governor McCreary, State Auditor Bosworth and Attorney General Garnett to-day at Frankfort, Ky., with regard to **the Kentucky situation,** on account of the meeting in New York on Friday, which was in session as this paper went to press. The underwriters, in view of the hitherto uniformly hostile attitude of the officials, are not particularly anxious to confer with them, preferring to deal with their Kentucky customers.

A meeting of the executive committee of the **Fire Marshals' Association of North America** was held at Chicago on Wednesday, when it was determined to hold the next annual meeting at Asheville, N. C., Friday and Saturday, September 11 and 12. It was also voted to recommend to the convention the adoption of a recommendation that legislation be sought to control the sale, storage and handling of explosives.

The April meeting of the **Eastern Union** was held on Thursday, resulting in a brief session. A sprinklered risk rating schedule was up for discussion, and was sent back to the committee for further consideration. Satisfactory progress was reported with regard to the New York State dwelling schedule and the harmonizing of forms. The other business was of a routine character.

A court proceeding has been begun by the Ætna Fire to **recover its deposit** of $100,000 in bonds made in 1911 with the Connecticut State Treasurer. At that time the Idaho law required such a deposit, but the law was repealed two years later. The State has declined to return the bonds, and the present action is to establish the Ætna's claim to the money.

The report of Walter Bennett, the **Illinois** State fire marshal, shows that the **fire loss for March** was the heaviest for a year and that more fires occurred than in many months. Sparks and defective flues caused 302 of the 918 fires, of which total 277 were in Chicago. The Chicago fire loss was $169,315, as compared with $1,265,721 for the balance of the State.

A **rehearing** was **asked for** by counsel for the interinsurance companies whose licenses were revoked last week by Insurance Superintendent Revelle. William J. Jones, of St. Louis, appeared for the companies and pointed out that large interests are involved in the situation. The motion was denied.

A London financial newspaper says that the Ocean Accident Corporation is considering the advisability of entering the field of **aviation insurance.** It is recognized that this is purely an experiment, but according to the newspaper the first office in the field will get the pick of the business at its own rate.

The **Florida Fire and Casualty company** of Jacksonville has elected a new official staff, composed as follows: President, C. H. Barnes; vice president, Charles Blum; second vice president, Henry Gaillard; secretary, Gerald E. Hart. The company is being reorganized.

The **Troy Board of Underwriters,** which has strongly asserted its right to make its own rates in that territory, surprised the underwriters this week by filing the rates of the Underwriters' Association of New York State, which it had so strenuously opposed.

The celebration of **Insurance Day** at the Panama-Pacific Exposition grounds on April 18 was expected to be a notable occasion. Among the addresses scheduled on the programme is one by Insurance Commissioner Willard Done of Utah.

Following the judgment secured against the agency firm of Newman & MacBain in favor of the Shawnee Fire for $60,150, the firm has filed a **petition in bankruptcy.** Newman & MacBain, Inc., is not affected by the proceeding.

The **Ohio Valley Fire and Marine,** recently organized at Paducah, Ky., has elected the following officers: President, Frank M. Fisher; vice president, Dr. Frank Boyd; treasurer, Eli G. Boone; secretary, Aubrey Smith.

The Ancient and Honorable Order of the Blue Goose has appointed Thomas H. Williams, Past Most Loyal Grand Gander, to represent the order in the **National Council** of the World's Insurance Congress.

Competition in automobile insurance in the West has been met by the adoption of a reduced schedule by the Eastern Automobile Conference. The new rates are about one-half of one per cent. lower.

The German of Peoria is **no longer a member** of the Suburban Fire Insurance Exchange.

Life Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

April 21—Executive Committee, National Association of Life Underwriters at Hotel Astor, New York City.
April 27—New England Congress of Life Underwriters Associations at Parker House, Boston.
May 21—Actuarial Society of America at Hotel Astor, New York City.
June 16-19—Modern Woodmen of America at Toledo, O.
June 24-29—Fidelity Mutual Life, agency convention at Atlantic City, N. J.
July 27-30—Life Underwriters Association of Canada at Halifax, Ont.
September 8-11—Agency clubs, Equitable Life Assurance Society at Cape May, N. J.
September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.
September 15-17—National Association of Life Underwriters at Cincinnati, O.
October 7-10—American Life Convention at Dallas, Tex.
——National Association of Mutual Life Underwriters at Chicago, Ill.

A message from President John T. Baxter, of the Northwestern National Life, to his agency force says, regarding **life insurance salesmanship:**

The sale of life insurance is just like any other kind of salesmanship in that no permanent success can be attained in it except upon a basis of absolute honesty and fair-dealing in all our negotiations with the prospective buyer. This statement would be unpardonably trite and commonplace were it not for the fact that there is now and then some confusion of ideas as to just what constitutes "honesty and fair-dealing" in the sale of life insurance. Here, as elsewhere, the golden rule is a pretty safe guide. Whenever a prospect is willing to listen to your advice, don't ever try to sell him a bigger policy than he can afford to buy or a kind of insurance that he cannot afford to carry. In the long run, this rule will prove to be good business as well as good morals. For the well-served and well-satisfied policyholder is the only one who will become a permanent acquisition. The man whom you have either over-insured or wrongly insured is going to find it out some day, and then the result will be just what it ought to be. You will have lost the respect and confidence of a man who might have been your life-long friend.

Of course, I don't mean to say that it is ever your duty to undertake to force your wisdom and counsel upon a prospect who "knows it all" and who gives you to understand that he needs no advice. Such self-

Digitized by Google

satisfied omniscience on his part of course relieves you of any further responsibility. Sell *him* whatever he wants. But the average prospect is more or less influenced by the argument and the advice of the salesman. Don't ever abuse *that* man's confidence. It is a relationship in which virtue is its own reward in more ways than one.

The International Life *Lifeman* has perpetrated a **pickle paragraph** which deserves to be perpetuated. It is as follows:

Why is a pickle so popular?

It's homely as unpleasant sin!

It's a sour old thing!

Particles of it cause people to choke to death!

Yet the grocer will tell you the pickle is about the most popular thing he sells.

What makes it so popular?

Its appetizing tang!

Do you bring out the "appetizing tang" of life insurance when you breeze it to a prospect?

Oh, yes, you think you do—but do you?

The proof of whether you do or don't is shown by whether or not you write him!

Judged by that one and only true test, tell yourself honestly now, how many times you failed last week to bring out the "appetizing tang" of life insurance!

If you ask why we call the "appetizing tang" of life insurance, you convict yourself of not knowing your business!

The winningly posted writer of life insurance knows that its "tang" is its simply irresistible qualities that produce simply irresistible desire to buy plenty of it—just as the tang of a pickle produces desire to eat a meal.

That seller of life insurance who cannot bring out the features of his wares in a manner to make them irresistible, needs to push his nose oftener and deeper into his company's literature, and improve on his presentation of the winning stuff he will find there!

Somebody blundered when that quite improbable story about the Insurance Congress and its programme was sent out from California last week. It was published widely, and one or two papers expressed their wonder at it. This paper has just received two identical telegrams, reading as follows:

An article was recently sent you by the Editorial Department of the Panama-Pacific International Exposition referring to the World's Insurance Congress. In this article statements were made which would lead to the inference that the purpose and program of the Congress had already been determined. This article through an unfortunate accident was sent out without the approval or knowledge of either the Insurance Commission or the Exposition management. Its writer was zealous, but unfamiliar with insurance matters and it does not reflect the intentions or plans of the Insurance Congress. In particular I wish to deny that the program or activities of the proposed Congress have been settled. Such matters will be governed entirely by the National Council representing the various national insurance associations.

(SIGNED) W. L. HATHAWAY,
Commissioner for World's Insurance Congress, Panama-Pacific International Exposition.

The appraisers in the **Prudential mutualization** matter are continuing their hearings at Newark. On Wednesday there was some discussion of the proposition to admit evidence relating to the earnings and disbursements of the Metropolitan Life and the John Hancock Mutual Life to show the relative distribution of surplus to policyholders. There was objection on the part of the company and of the minority stockholders, but the appraisers decided to admit the testimony. One of the witnesses this week was Henry McAlpin, an appraiser for the New Jersey Insurance Department, who explained in detail his idea of the value of the Prudential buildings at Newark. Mr. McAlpin valued the main building, 761-769 Broad Street, at $3,404,674; the building at 28 Bank Street at $2,206,902; the north building and the north building addition at $8,101,462; west building at $815,098; northwest building at $910,711, and other holdings in the immediate vicinity of the main group, but not occupied by the company, at $4,199,275. The total was placed at $19,638,122. The company carried its holdings on its books at $18,156,174.02.

The Kentucky Court of Appeals holds in the case of the Reserve Loan Life vs. Boreing that where it was admitted that an applicant for insurance was accepted, the premium paid and the policy issued and delivered to the applicant, and that his death took place while the policy was in force, **the burden was on the insurance company** to establish the defense that certain answers contained in the application were false and material. In the case before the court, which arose out of an action on an insurance policy, the insurance company defended on the ground of the falsity and materiality of certain answers in the application with reference to the insured's habits of intoxication. The evidence showed that instead of relying on the truthfulness of the answers to the application, the insurance company procured a confidential report on the applicant, and was thus apprised of all the facts upon which it sought to defeat the policy. The court held that under the circumstances the company was estopped from relying on the falsity of the answers contained in the application.

The April meeting of the **Life Underwriters' Association of New York** will be held at the Hotel Astor on Wednesday evening, April 22, at 8 o'clock, when the topic to be discussed will be "The Relationship and Responsibility of the Life Insurance Agent to the Insured," whether the insured be one of his own or a rival company. The service the association rendered to the public in the matter of taxation will also be considered. Edward A. Woods, of Pittsburgh, will be the principal speaker, and Mr. Woods will devote a portion of his remarks to the question of whether renewals on business written prior to 1913 are subject to the Federal income tax. Questions will be answered after the address, and all life insurance men are welcome, whether members of the association or not. There will be no dinner in connection with the meeting, but a number of agents who will dine at the Astor that night have reserved tables in the Indian grill, where any who wish may join them. A number of applicants for membership will be voted on.

A movement to obtain life insurance policies **direct from the companies** has been started, it is stated in the New York daily papers, by the Gilder Policy Association, composed of relatives of the late Richard Watson Gilder, the author. This rather odd organization applied to the Supreme Court for a certificate of organization and was referred to the State Insurance Department. The news item says:

As set forth in the petition the organization is designed "to encourage and facilitate persons of moderate means in obtaining insurance policies of moderate amount directly from the insurance companies without the intervention of agents." The petition added: "The undertaking originates in a wish to honor the memory of Richard Watson Gilder by working in his name, as he would in life, for the public good." The form of the policy adopted by the association will be known as the Gilder policy. The books, it was announced, will be at all times open to the Insurance Department.

The following report has been made regarding the **Massachusetts savings banks life insurance:**

The four Massachusetts savings banks with insurance departments, Whitman Savings Bank, People's Savings Bank, Brockton; Berkshire County Savings Bank, Pittsfield, and the City Savings Bank, of Pittsfield, now have 8,537 policies and $3,373,233 insurance in force. In addition there are sixteen other savings banks which have become public agencies for this insurance, or more than 10 per cent. of the total savings banks in the State.

There are numerous public agencies in trust companies, social settlements, drug stores and other places. More than 200 agencies have been established in the leading industries of Massachusetts and many of the larger mills, factories and shops have brought the advantages of this insurance to the attention of employes. During the past month four of the mutual benefit associations, whose death benefits are provided for through policies in savings bank life insurance, have added 250 members.

Digitized by Google

The **Connecticut General Life** announces that it has completed arrangements for the service of the Life Extension Institute of New York, being the third company to subscribe. Annual examinations will be available for all policyholders who have been insured five years or more, and the company says that while its mortality rate has been lower than that of any other company for the period covered by returns to its home State, it is hoped that this new step will effect a further saving to its members. The Connecticut General is constantly seeking to extend and continue the record of low cost and efficient service for which it is already so well known.

Few American insurance companies are interested in **Mexico** at the present time. The New York Life is the only life insurance company writing policies there, although the Mutual Life and the Equitable have a considerable amount of business still in force. They retired from the country about two years ago. The Home is the only fire insurance company in New York interested in the country, and it stopped writing business when hostilities broke out. The American Surety controls a local company in Mexico known as Companies Mexicana de Garantia.

The Cincinnati Life Underwriters' Association has appointed the following **general convention committee** to make arrangements for the annual meeting of the National Association of Life Underwriters: A. F. Sommer, Metropolitan Life, chairman; John L. Shuff, Union Central; Millard W. Mack, Northwestern Mutual; W. A. R. Bruehl, Home; E. R. Ferguson, Mutual Life of New York; J. W. Kirgan, Fidelity Mutual, and C. J. Stern, Union Central. Finances are being rapidly provided, and as soon as the exact date is fixed the details will be arranged.

The **history of life underwriters' associations,** which was first written for the fortieth anniversary edition of the *Insurance World* by Charles W. Scovel, a former president of the National Association of Life Underwriters, has been revised so as to include the results of the Atlantic City convention, and has been published by the National Association of Life Underwriters in a neat pamphlet. As in the original article, credit for the beginning of the movement is given to Colonel Chauncey Monroe Ransom, an early publisher of the *Standard* of Boston.

Life Insurance is the title of a new book by Abb Landis, which reviews the business as conducted by friendly societies, fraternal orders, life companies, industrial companies and open assessment associations, and gives a history of the five kinds of organizations. The index sheets received at this office indicate that the book contains a very complete treatment of the subject, such as Mr. Landis is qualified to prepare. The book is to sell at $10 per copy.

The **Life Underwriters' Association of Canada** is preparing its programme for the annual meeting. The Hon. W. H. Taft will be among the speakers, and others will include prominent Canadian officials. One of the features of the convention is to be a debate between members from the East and the West. The individual agent bringing in the most members to the association will receive a gold watch, offered by President Morissette.

The **annual meeting of the Metropolitan Life** was held on Tuesday, when about 300,000 policyholders' votes were recorded and canvassed. The administration ticket had no opposition, and was unanimously elected, returning to office all the old directors. At the business meeting the action of the directors for the previous year was approved, which included the distribution of $6,334,000 in bonuses to policyholders.

The **State Auditor of Iowa,** who is understood to be a candidate for insurance commissioner under the new law establishing a separate State insurance department, is accused by former Insurance Examiner Fairly, who is also a candidate, of allowing two fraternal companies and one automobile insurance company to do business in the State illegally. The State Auditor denies the charge.

Amazing profits accruing to industrial life insurance companies in Great Britain were **alleged** by a witness before the Prudential appraisers in Newark on Thursday, when he cited figures which stated that the English Prudential paid its stockholders a dividend of 60 per cent. in 1912 and 59 per cent. in 1913.

The **Insurance Clerks' Mutual Benefit Association** has unanimously elected the following officers: President, A. M. Thorburn; vice president, William M. Tomlins, Jr.; corresponding secretary, C. J. Holman; recording secretary, J. F. Hastings; treasurer, Bradford Darrach.

The **Central Southern Life** of Jackson, Miss., expects to begin business shortly with a paid-up capital of $60,000 and surplus of $35,000. The following are its officers: President, I. A. Oliver; vice president, A. S. Handy; secretary, James B. Ray; treasurer, R. B. Ricketts.

A **series of talks** on life insurance topics is to be given by Edward W. Allen at his office, 220 Broadway, Monday mornings, from 9.15 to 10 o'clock, to which any life insurance man is welcome. The talk on April 20 will be on "Insurance Reserves."

A meeting of the stockholders of the proposed **Royal Life insurance company** of Chicago will be held on April 20 to effect a permanent organization of the company. It will start with $100,000 capital and $50,000 surplus. Alfred Clover is president.

The **Fort Dearborn Life and the Fort Dearborn Casualty** are sister enterprises of George C. Mastin and others at Chicago, about to apply for charters. Each will start with $100,000 capital, and the two may eventually amalgamate.

The report of the receiver of the **Assureds National Life** of Springfield, Ill., shows that the assets of the company are less than $2,000. The premium receipts since the receiver took charge in March have been $96.07.

The Connecticut General Life of Hartford is the third life insurance company to avail itself of connection with the **Life Extension Institute** for the examination of the physical condition of its policyholders.

The **New World Life** of Spokane, a life insurance company devoted exclusively to Catholics, is extending eastward, and President Cadigan is about to appoint a Chicago manager.

The announcement is made by President Daly of the **Capitol Life of Denver** that it will hold its 1915 agency convention at San Francisco during the exposition.

Digitized by Google

NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

Proceedings of Adjouned Meeting Held at Chicago This Week.

CHICAGO, April 16.—The mid-year meeting of the National Convention of Insurance Commissioners was held at the Hotel La Salle this week, beginning Wednesday. Thirty representatives of twenty-four States were present, and President Young of North Carolina was in the chair.

The preceding two days had been occupied with meetings of various committees on special subjects, including the committee on fire insurance rating and rate regulation, of which Commissioner Ekern of Wisconsin is chairman; the committee on publicity and education, of which Commissioner Done of Utah is chairman; the committee on laws and legislation, of which Commissioner Preus of Michigan is chairman; and the committee on fraternals, of which Mr. Ekern is chairman.

The committee on fire insurance rating and rate regulation had a long session, during which the exhaustive discussion of the subject begun in New York last year was continued. A letter on the subject of classifications of experience was read by E. G. Richards, chairman of a committee of the National Board of Fire Underwriters, in which he described the proposed bureau for the purpose of compiling loss statistics, which the board is about to establish, and asked the co-operation of the commissioners. He suggested that this bureau be accepted by the commissioners as the medium through which these statistics be secured, and asked that official sanction be given before the expense required be incurred. Mr. Richards pointed out that the bureau would not be justified if only half the States were to accept its figures and the remainder insist upon the old system of reporting.

The communication of Mr. Richards was discussed at length, and it was evident that the commissioners, most of whom attended the committee sessions, were more favorably inclined toward the views of the companies than at previous meetings. Superintendent Potts of Illinois, however, said he did not believe his State would wait for the compilation of such statistics before enacting new legislation on the subject.

The committee on fraternals listened to the representatives of two fraternals on the subject of the construction to be placed on certain sections of the Mobile law relating to valuations.

The committee on publicity and education listened to an outline of the plans of Chairman Done, and passed a resolution offered by Superintendent Potts calling upon commissioners to do their part toward having courses on insurance adopted in all public and parochial schools, and recommending that the convention give aid and encouragement to the various publicity bureaus of the company organizations.

The convention proper convened on Wednesday morning, when the report of the committee on fire rates and regulation was presented. In adopting the report the convention put itself on record as commending the plan of the companies to organize a loss committee for the compilation of comprehensive loss statistics, but also pointing out that the convention was not prepared to approve this loss committee as a medium through which the companies should report to the various States. Further action along this line will probably be taken at the annual meeting.

Another attack was made on group life insurance by representatives of fraternals, who charged again that the group plan was merely a form of raiding the fraternals' membership. These charges were not replied to, the life insurance companies not having expected that this subject would come up. Accordingly the fraternals and the labor representatives had the floor to themselves. They will continue the discussion at the annual meeting at Asheville, and will urge that some decisive action be taken by the convention.

An attack on underwriters' agencies made before the subcommittee on legislation Wednesday evening in a paper by C. H. Woodworth for the National Association of Local Agents was replied to by John H. Stoddart, of the New York Underwriters Agency, who happened to be in the city. Mr. Woodworth stated that the agents had no complaint to make against Mr. Stoddart's company. There was a long debate on the subject, in which President Hildreth, of the agents' organization, said that he believed the time had come for a determined opposition to underwriters' agencies.

On Wednesday, W. H. Hotchkiss advocated a law regulating reinsurance so as to maintain the American principle of separation between the various branches and the prohibition of multiple lines.

The subject of adequate rates for workmen's compensation insurance was brought up and addresses were made by Professor A. W. Whitney, manager of the Workmen's Compensation Service Bureau, and Assistant Chief Examiner Leon S. Senior, of the New York Insurance Department. Both advocated the collection of adequate rates by the companies, and Mr. Whitney pointed out the advantages of the merit rating plan.

MR. SENIOR ON ADEQUATE RATES.

The address of Mr. Senior was notable as outlining what would be the probable policy of the New York Insurance Department with regard to the approval of rates under the new law giving the New York department authority to approve all rates for workmen's compensation insurance. His address is reproduced in full, as follows:

Two of the States which have adopted workmen's compensation acts—Massachusetts and New York—have also enacted legislation imposing upon the Insurance Department the function of approving premium rates for compensation insurance charged by the stock and mutual companies. The idea, I believe, originated in Massachusetts, and the purpose of such legislation, as originally contemplated, was to prevent the stock companies from destroying in competition the State association which was incorporated as part of the workmen's compensation scheme in Massachusetts. It is interesting to point out that at that time the idea of maintaining adequate rates was suggested not so much for the purpose of insuring the solvency of the stock companies, nor for the purpose of creating reasonable rates for the employers, but rather for the purpose of keeping alive a mutual organization which was created by law as a competitive factor in compensation insurance.

It is therefore remarkable that in its final development, the idea of adequate rates for compensation insurance under the supervision of State insurance departments will also, apparently, bring about reasonable rates. This for the following reason: Rates approved by the insurance departments under legislation herein referred to are necessarily minimum rates; that is to say, no insurance carrier may quote rates below those which the department has approved as adequate. On the other hand, no company that wants to get business in competition with other companies is in a position to quote higher rates, for obviously it would not be able to get the business. A company which will quote higher rates, that is, rates in excess of the minimum rates approved by the department, will do so for the reason that the particular classification for which the higher rate has been established is not a desirable classification for that particular company to write insurance. An employer who is willing to pay a premium in excess of that established by the department is either not able to get insurance by reason of the hazardous character of his plant, or else prefers the company that quotes the higher rate because of its superior service.

Digitized by Google

With these facts in mind it may be of interest to relate

WHAT THE NEW YORK DEPARTMENT IS DOING

in the way of approving minimum rates under the New York Workmen's Compensation Act, effective July 1, 1914. The New York law relating to the approval of premium rates became effective in the early part of this year and will apply, under the interpretation of the department, to employers' liability and workmen's compensation policies effective on and after July 1, 1914. While the statute itself speaks only of premium rates for workmen's compensation insurance, the workmen's compensation law contains a provision that every employers' liability policy issued in the State must also cover the employers' liability for workmen's compensation. The effect of this provision will be that policies issued in this State after July 1st will be combination policies covering the employers' liability in the broad sense of the word, namely, his liability for negligence as well as his liability for compensation. This is true of policies issued by stock as well as mutual companies. After considerable discussion it has been decided that the

COMBINATION POLICY IS THE ONLY KIND THAT WILL BE ISSUED

in this State by private companies. The act covers only so-called hazardous employments and classifies such employments into forty-two groups. It is expected that a number of questions will arise as to whether a certain class of employees are within or without the act. In a great many cases, no doubt, it will be difficult to determine, and the questions will have to be decided through decisions of the commission and the courts. The combination policy will, therefore, cover not only the employer who is certain that his employees are within the act, but also the employer who is in doubt as to whether he is subject to the provisions of the act. Then, there may be another class of employers who have employees some of whom are within the act and some without the act. The department is preparing a

STANDARD FORM OF POLICY

which it is hoped will also be acceptable to the Workmen's Compensation Commission. If approved by the department and the commission, then of course such policies will be the uniform contract under which compensation will be written in the State by both stock and mutual companies.

The first work of the department, in connection with the approval of rates for compensation insurance, was to make an investigation of the accident experience and the relative cost of compensation in the States of Massachusetts, Wisconsin, Michigan and California. Various statistical data were gathered from the industrial commissions and the insurance departments in those States. A special trip was made to Boston, where we spent two weeks in analyzing the available data of the Industrial Commission and the work of the Massachusetts Insurance Department. The help we secured in that direction was valuable in forming a basis for calculation of the probable cost of compensation in New York State as compared with other States.

The department proceeded to make a calculation of the

RELATIVE COST OF COMPENSATION

in Massachusetts and Wisconsin. The results were incorporated in a memorandum containing a number of statistical tables and such memorandum was submitted to various actuarial authorities and elicited general favorable comment.

I do not propose to burden you with the details contained in such memorandum, but it would be interesting here to point out the general results. On the basis of the Massachusetts experience, we have arrived at the

AVERAGE COST PER 100 ACCIDENTS

under the Massachusetts act, as compared with the average cost per 100 accidents under the New York act expressed in terms of week's wages to be as follows:

Temporary disability, Massachusetts	48.8900
Temporary disability, New York	64.5566
Permanent disability, Massachusetts	65.7911
Permanent disability, New York	240.9031
Dismemberment, Massachusetts	16.4702
Dismemberment, New York	82.0860
Death, Massachusetts	71.4832
Death, New York	217.0313
Medical, Massachusetts	53.7000
Medical, New York	83.0400

The total indicates that the net cost of compensation—and by net cost is meant the actual loss payments—will be 268 per cent. of the net cost for Massachusetts.

The same comparison made with the Wisconsin act shows that the net cost of the New York act will be 141 per cent. of the net cost under the Wisconsin act.

Having made this comparison of the relative cost under the two acts, our next step was to determine what has been the

ACTUAL EXPERIENCE OF THE COMPANIES

in Massachusetts on the basis of the premium rates charged by them in that State. The Massachusetts departments requires all companies to submit their experience in detail for each classification on terminated policies. These returns are made as of December 31st by each company and the results are tabulated in the department. The work is now nearly completed and we shall be in a position to see what the actual loss ratio has been for each classification. With such data in our possession it will be possible to apply the factor previously referred to, namely, 268 per cent., to the net cost in Massachusetts and load the result with proper factors for the cost of administrative expenses, commissions, inspections and claim adjustments. The stock companies will probably require as much as 40 per cent. for such loading, such percentage being distributed in the following manner:

Administrative expenses, including taxes	12½%
Acquisition expenses, including commissions to agents	17½%
Inspections	5%
Claim adjustments	5%

THE TOTAL WILL REPRESENT THE MINIMUM RATE

to be used by both stock and mutual companies. It may be asked why mutual companies should have a loading similar to stock companies. This is a relevant question and ought to be clearly explained. The mutual companies will probably have the same expense as stock companies in so far as administration, inspection and adjustment are concerned. They will not have the expense of acquisition, namely, commissions to agents. This expense, however, which is a part of the loading, will be necessary for mutual companies for two reasons: first, it is contemplated that mutual companies will have to carry a special reserve to cover the catastrophe hazard of ten per cent. of the gross premiums; second, that a liberal margin in the loading is necessary because of the fact that mutual companies are constantly holding out the promise of dividends to their policyholders, and that any loading above the amount actually necessary to cover the cost of claims and expenses will enable them to carry out their promise of accumulating a surplus and returning dividends, thereby perpetuating their existence and avoiding the possibility of assessments which are of course undesirable and demoralizing.

After making an analysis of the present rates charged in Massachusetts and Wisconsin, and the experience of the companies, we have formed a conclusion which, of course, is not final but rather provisional, that

THE PROBABLE NEW YORK RATES

will be from 225 per cent. to 240 per cent. of the Massachusetts premiums and about 125 per cent. of the Wisconsin rates. This, of course, is subject to further revision, but from all the discussions and conferences in which the department has thus far participated, it is quite clear that our conclusions are practically in harmony with the conclusions arrived at by liability underwriters, who have had a long experience in rate making.

THE NEXT PROBLEM

before the department was to find some standard by which companies may depart from the manual of rates once established. The department has taken the stand right along that employers' liability must be written at definite manual rates to be departed from only upon the basis of inspection reports under some definite merit rating plan. Various plans have been submitted to this department, but all of them were found to be unsatisfactory in the forms submitted for various reasons. The principal reason was the fact that they provided too great latitude for the discretionary opinion of the inspector. Under a competitive system of insurance every company that makes its own inspections may form a different judgment as to the value of a discretionary charge or a discretionary credit. The competitive element among the companies would, of course, tend to bring down the discretionary charge to the minimum, and to bring up the discretionary credit to the maximum allowed by the respective

MERIT RATING PLANS.

We have become convinced that merit rating, if permitted without proper regulation, would simply bring about a competitive rate cutting situation resulting in discrimination and in the destruction of the manual rates approved by the department. It was, therefore, determined in the first place to allow only such a system as would be based upon specific physical con-

Digitized by Google

ditions that are subject to verification by the department, if necessary, thereby eliminating the judgment or opinion evidence of a particular inspector of an individual company. So far, we have come to the conclusion that only one of the merit rating plans submitted to us would be satisfactory, and that one only provided the discretionary credits contained therein were either converted into specific credits or entirely eliminated. Thereupon a cry arose that if we permitted merit rating upon the basis of physical conditions only, we would thereby ignore entirely the element of moral hazard, or the so-called human element which exists in every manufacturing plant.

It has been asserted that it is entirely possible to find a situation where a manufacturing plant in perfect physical condition will be subject to a greater number of accidents than an antiquated plant which is not provided with safety devices. In order to meet this situation and to provide for these exceptional cases of antiquated plants which for some reason or other show a favorable accident experience, we have about decided to incorporate in connection with the merit rating plan a provision whereby a credit will be allowed on the basis of individual experience on a sliding scale, depending upon the loss experience at the end of the year. The percentage scale upon which the credit would be allowed is suggested as follows:

Loss Ratio to Earned Premiums.	Percentage of Discount from Manual Rate.
21% to 25%, inclusive	2
16% to 20%, inclusive	4
11% to 15%, inclusive	6
6% to 10%, inclusive	8
5% and less, inclusive	10

This scheme of allowing a credit at the end of the policy term for favorable accident experience may be combined with the physical inspection, or else may be used as an alternative, in which latter case, of course, the credits should be increased up to, say, 25 per cent.

THIS METHOD OF DEPARTING FROM MANUAL RATES

may, of course, be used not only as a system of credits, but also as a system of debits, making corresponding charges to employers who show an unusually high accident experience at the end of a policy year. A table of such debits corresponding to the previous table of credits may be constructed as follows:

Loss Ratio to Earned Premiums.	Percentage of Charge over Manual Rate.
76% to 80%, inclusive	2
81% to 85%, inclusive	4
86% to 90%, inclusive	6
91% to 95%, inclusive	8
96% and over, inclusive	10

The department is impressed with the fact that inspections made by individual companies are not entirely satisfactory, for the reason that the competitive element is so strong that it influences the inspector's report and the underwriter's conclusion from such report. Furthermore, it means a duplication of labor, since two or three companies under a competitive system would repeat each other's work. Then, again, the inspections are not uniform, not standardized; some are good, others are indifferent. For these reasons the department feels that if a central bureau could be established which would make inspections for all insurance carriers without fear or favor, without prejudice, without the conscious or sub-conscious element of competition entering in, it would then be possible to secure inspections which would be uniform and free from criticism. Such inspections would also require, but in rare cases, verification by the State department for the purpose of determining the good faith of the bureau that makes the inspection.

It is believed that it is possible to create such a bureau in the State which would be free to all insurance carriers, and that is one of the points that has been impressed upon the liability underwriters so far, namely, that every insurance carrier in the State, who is authorized to transact compensation insurance, should have an equal opportunity to enter such bureau upon equal terms and conditions, with the right to a vote in its management, and the general conduct of its affairs.

In order to encourage the creation of such a bureau the department has provided

AN INCENTIVE IN THE RATING PLAN

which has been submitted to the underwriters, namely, that upon inspections made through a central independent bureau, a greater latitude would be allowed in so far as permitting discretionary credits for certain specific conditions, such discretionary credits not being allowed for companies who are making individual inspections.

Furthermore, under a system of individual inspections the department has limited the total or maximum credits permissible in a single case to 20 per cent., while under inspections made by a central independent bureau the maximum credits permissible in a single case has been limited to 40 per cent.

In connection with the liability underwriting under compensation, the department proposes a novel idea of having all business written at manual rates on July 1st and for the entire first year of compensation. The companies may then proceed to make their inspections and to report the rates which are determined as the result of such inspections to the department. Such rates, however, are not to be quoted nor to become effective until they are published by the department, thereby making them available to all insurance carriers in the State. The policy form now in preparation will carry a clause providing for a premium adjustment at the end of the policy term on the basis of the last inspection report made by the company. This would have the following effect: The company may make an inspection at any time and recommend improvements in the plant. The employer who complies with such recommendation and expends the money necessary to make the improvements will be entitled to an adjustment of the premium rate, making such rates retroactive to the original date of issue of the policy. This adjustment will, of course, be his reward for the labor and money expended for accident prevention.

The claim has been made that under this method an employer who makes his improvements during the last months or weeks of the policy term will thereby have an undue advantage in having the premium retroactive to the date of issue. The answer to that is, of course, that if the merit rating plan is coupled with a provision for individual loss experience, what he gains by late improvements he may lose on his record of individual experience. This will probably fully answer the objection raised. The plan furthermore has the advantage of doing away with a lot of questions as to when the adjustment becomes effective, thereby removing certain elements of discontent which may arise under a different system permitting various rate adjustments.

Another plan which the department has now in view is an attempt to secure the solvency of the companies and to protect the claimants in the event of catastrophe.

THE SUBJECT OF CATASTROPHE

is employed as a very serious argument against mutual companies and also against weak stock companies. It is obvious that if some very heavy losses should occur in the nature of a catastrophe, a mutual company which has not been able to accumulate a surplus would be wiped out and liquidated, and the same thing might happen to a weak stock company. The way to guard against this contingency is to create a reinsurance agreement among the various insurance carriers. The reinsurance pool created should be one large enough to embrace all companies and the contribution should be equal to, say, 5 per cent. of the gross premiums. Under this plan it would be possible to create a fund of about $1,000,000, and when that fund is created it may remain stationary and be replenished when losses occur that would deplete it below the established maximum of $1,000,000. Objection will probably be raised that it will be unfair to have companies that are doing select underwriting grouped together with others who are doing hazardous underwriting, but I think this objection may be answered in this fashion: All insurance carriers are subject to the catastrophe hazard. A catastrophe may occur involving a company that is doing a select class of business as well as one that is doing an extra-hazardous business. Then, again, if the distribution is large enough you will have an average sufficiently well distributed to protect everybody, so that it will be no particular hardship for anybody. It is true some inequities may exist here and there, but for the general common good, for the solvency of the companies, for the protection of the claimants, a trust fund contributed in this way would be of incalculable value to all of the companies and to the employers as well, because it is to be noted that employers are not individually absolved from liability through insurance in private companies under the New York act.

Some of the companies are perfectly willing to enter into a reinsurance agreement for the purpose of protecting themselves and the claimants under compensation policies. Other companies, who feel strong enough to carry the entire risk themselves and who are ready to sacrifice the general good for their own individual welfare, are reluctant to enter into any reinsurance agreement.

For the purpose of creating an incentive for all of the companies to become members of a reinsurance agreement, broad

Digitized by Google

enough to include all the insurance carriers in the State, the department intends to create

A DIFFERENTIAL IN THE PREMIUM RATE,

so that a company which has become a member of a reinsurance agreement may receive the approval of a rate lower to the extent of its contribution to the reinsurance fund.

It is believed that a scheme like this will work absolute justice to all parties. A company that has reinsured its excess liability has thereby become much stronger and is entitled to a better rate than another company which desires to carry all of the risk single-handed. But, beyond and above all, is the fact that through this medium of a differential in the rate it will probably be possible to drive all of the companies into a general reinsurance pool for the benefit of the companies, the employers, and claimants under compensation policies.

The convention applauded both speakers, indicating that it approved their sentiments.

A committee was appointed on fire insurance loss reports, made up of Insurance Commissioners Young, of North Carolina; Hardison, of Massachusetts; Darst, of West Virginia; Potts, of Illinois, and McCullough, of Pennsylvania. At the annual meeting President Young will bring up the question of uniform laws for the regulation of agents of all classes, with similar laws governing agents' qualifications and licenses.

The executive committee of the National Convention of Insurance Commissioners will meet in New York June 10. At the same date the committees on blanks, fire insurance rating and standard fire policies will meet.

Adjournment was taken on Thursday, after the date for the annual meeting at Asheville, N. C., had been announced as September 15-18.

Casualty Insurance—Surety Bonding.

Dates ahead. The following announcements have been made regarding coming conventions:

June 10-11—Conference of Southern casualty underwriters at Asheville, N. C.

September ——International Claim Association (place to be announced).

September or October—International Association of Casualty and Surety Underwriters, probably at Louisville, Ky.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

The Comptroller of the Currency has approved applications to organize the following **new national banks:** The First National Bank of Craig, Colo., capital $25,000; the First National Bank of Hayden, Colo., capital $25,000, and the First National Bank of Minden, La., capital $50,000; the Conway National Bank, Conway, S. C., capital $100,000, to succeed the First National Bank of Conway, the Conway Savings Bank and the Bank of Harry, S. C.; the Caledonia National Bank, Caledonia, Ill., capital $25,000, and the Continental National Bank of Sioux City, Iowa, capital $100,000, to succeed the Continental Bank of Sioux City. The Comptroller approved the applications to convert the People's State Bank of Daytona, Fla., into the First National Bank of Daytona, capital $50,000; the Security State Bank of Isanti, Minn., into the First National Bank of Isanti, capital $25,000; the Farmers and Merchants Bank of Benton Harbor, Mich., into the Farmers and Merchants National Bank of Benton Harbor, capital $125,000; the Commercial Trust and Savings Bank of Great Falls, Mont., into the Commercial National Bank of Great Falls, capital $200,000, and the Bank of Commerce, Inc., of Roanoke, Va., into the American National Bank of Roanoke, capital $100,000.

In order to acquaint the casualty underwriters with the purposes and plans of the **Safety First Society,** its president, Ogden L. Mills, entertained about twenty executives of casualty companies at a luncheon at the City Club on Thursday. There were addresses by Mr. Mills, Ralph Folks, secretary of the Borough of Manhattan, and Robert S. Binkerd, secretary of the City Club. Mr. Folks and Mr. Binkerd are on the executive committee of the Safety First Society. Several of the casualty men participated in the discussion, which was on the round table order. The casualty men will give the movement their hearty support, and a committee will doubtless be named in a few days to represent them in the movement.

The Tennessee Manufacturers' Association devoted an entire day of its session last week to the **consideration of workmen's compensation,** and a report was adopted which will be sent to the Workmen's Compensation Commission of that State, which is preparing a bill to present to the next legislature. The report recommends that all employers of three persons or more should come under the law and that all employees refusing or neglecting to use safety devices should be barred from compensation benefits. One of the speakers at the meeting was F. Robertson Jones, who is a well-known expert in workmen's compensation matters.

The amendment to the **New York workmen's compensation law,** enacted near the close of the recent legislative session, probably puts the employees of the City of New York under the provisions of the law. There is some question as to how many of the 100,000 men employed by the city are covered, some holding that only such as are employed in gainful occupations are affected. The amendment also reduced the fine for non-compliance with the law from $1 per day per employee affected to the proportionate amount of premiums which would have been due the State fund during the period of non-compliance.

A big **roundup of stolen automobiles** was made Thursday night by members of the New York police department and E. B. Hopwood, a well-known automobile insurance adjuster, who has given much time lately to the tracing of stolen cars. The raid was made on information furnished by Mr. Hopwood, to whom a chauffeur had made a confession. It was said afterward that two adjusters who had been "lenient" in their operations would find themselves in serious trouble as a result of the raid. A number of automobile thieves are expected to be arrested and their mode of operation will be learned.

The New York Insurance Department has ruled that renewal forms of accident and health insurance policies **must be submitted** to the department **for approval** the same as policy forms. Some have been disapproved because they specified that conditions surrounding the insured must not have changed from the original conditions mentioned in the policy. In these cases the department has ruled that the insured must have a more definite notice of the restriction, since the company is at all times privileged to cancel if the hazard in its opinion becomes too great.

A device to prevent the **theft of automobiles** has recently been put on the market. The supply of gas from the tank to the carbureter is controlled by means of a valve, which cannot be opened without the proper adjustment of a six-letter combination. In the valve there are five cocks, each of which may be turned in any one of six positions independently of the others, and is closed in five positions out of six. The device also enables the combination to be readily changed whenever the owner of the car so desires.

The Preferred Accident is issuing an endorsement to its **automobile policies** which makes the insurance follow the car, no matter who is driving it, providing the owner's consent is given and the driver is not a paid servant or employee. This

(*Continued on page 339*)

Digitized by Google

The Weekly Underwriter:

MONTHLY LIABILITY INSURANCE SUPPLEMENT.

NEW YORK, APRIL 18, 1914.

THE INSPECTION OF BOILERS.

General Requirements—Valuable Formulas for Computing Stresses and Strengths—Advice to Inspectors.

By Robert H. Pearson, Consulting Engineer, New York City.

The engineer in charge of a power plant cannot exercise too much care in selecting the best possible men for service in the boiler room, the successful and economical operation of the entire equipment under his supervision depending primarily on reliable boiler attendance.

Each individual in the boiler room should be thoroughly qualified to take the initiative in case of emergency, and if his knowledge in this line is limited, he should have thorough instruction regarding the intricacies of the entire system, its dangers, and the care necessary for the avoidance of accident to property or person.

The inspector can usually get a fair idea of the general intelligence of the attendant by asking a few well-considered questions relative to the boilers and accessories in his care, but any attempt at catechising should be avoided, as such a course will invariably antagonize the man and destroy any chance of forming a true judgment as to his ability, the average stoker or water-tender being apt to resent anything that is likely to reflect on his full ability to perform the duties of such a calling.

AN EXTERNAL INSPECTION IS AVAILABLE

at any time during the operation of the plant, and this should include a thorough examination of all boiler mountings, including the main steam pipe connecting boilers in battery, and especially the line to engine stop valve and feed line.

The water column and its accessories should have special attention, and besides blowing through the gauge glass, the test cocks should be used as proof of accuracy.

All water columns should be provided with 1¼ to 1½ inch connecting pipe to boiler, preferably made of brass, to prevent corrosion, and the connections should be direct and as short as possible. A drain pipe about three-quarters of an inch in diameter should lead from the bottom of column, with an internal bend at end, directing the flow of water to ash pit away from the feet of attendant. The gauge glass should be provided with a slotted shield to prevent injury from glass in the event of bursting. A cross bar on gauge cocks, provided with chain pull from floor level, will enable the attendant to open or shut the cocks while standing well out of the danger zone, and as an extra precaution against false water level, a series of three test cocks or valves should be mounted on the boiler shell at proper intervals, the bottom of gauge glass and lowest test cock allowing for a water level above tubes of four to six inches. Automatic gauge valves should be examined frequently so as to insure proper action in case of an emergency.

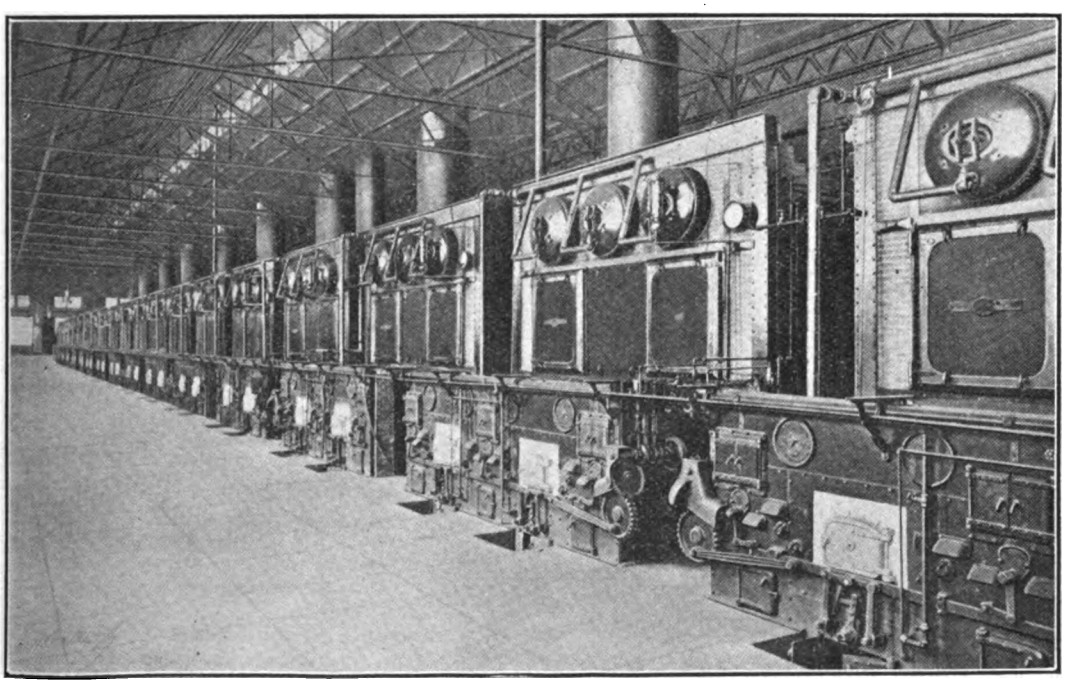
STEAM GAUGES SHOULD BE TESTED

and variation noted, after which the boiler pressure should be raised to point of safety valve blow-off, so as to ascertain whether the valve is set in accordance with pressure allowance, any any incorrection should be noted and means taken, at the earliest opportunity, to have it rectified.

All safety valves should be eased off seat at regular intervals, and this is especially necessary where sentinel valves are installed, the attendant being apt to forget that the function of this valve is warning and not relief, and to construe its free action from a safety standpoint.

The safety valve should be of standard and dependable make, irrespective of type, and where an escape pipe is an accessory, this should be provided with an efficient drain to prevent the addition of accumulated water weight on top of the valve.

Furnace and tube box doors should be opened for the purpose of examining all visible parts of the boiler above the furnace, also tube plate and ends. Efficiency and quality of feed apparatus should have special examination.



BOILER INSTALLATION FURNISHING 16,000 HORSE-POWER.

Digitized by Google

Boiler setting, brick work generally, blow-down pipes, and shell of boilers wherever visible, should all be carefully examined and conditions noted.

Some time prior to the inspector visiting a location where the company has boiler business he should send the assured a written request to have as many boilers as possible in their plant opened up and cooled ready for internal inspection, and he should be very punctual in presenting himself at the appointed time so as to facilitate his work and cause as little inconvenience to the power user as possible.

If the boiler installation is of the watertube type, all cylinders having man or hand holes should be thoroughly examined for scale, corrosion or other defects, and wherever possible hammer tests should be made.

TUBES AND HEADERS SHOULD BE CAREFULLY EXAMINED

for flaws or laminations, and tubes in water legs should have special attention.

Where there are mud drums they should be subjected to close examination, and all internal feed pipes should be looked over, particularly taking note of the condition and fastenings.

Internal baffles over water legs should be well looked after, and fastenings should be thoroughly examined. Superheaters and pipe coils require particular attention regarding their general condition, and all baffles in combustion space should be seen to, for if these are not in good condition, the furnace heat is liable to concentrate in such a way as to seriously damage a group of tubes, and incidentally injury to attendants by scalding may follow.

All brick work and setting should be carefully looked over, and if not found to be in good condition, the engineer's attention should be called to defects, so that they can be made good, as an air opening in brick enclosure causes defective draft and necessarily much trouble.

INTERNAL INSPECTION OF FIRE TUBE BOILERS

of all kinds necessitates a thorough examination of all stay bolts, tubes, outlet and pipe connections, shell, drums, seams, rivets, etc., by hammer test. Water column connections should be examined and means taken to see that they are free of all dirt or dust.

Feed water which contains a small percentage of carbonates of lime and magnesia is beneficial as a boiler preservative, if kept within the range of light deposit, and this can easily be done by frequent and judicious use of the blow off, but if a boiler is found to have an excess of this scale, the inspector should advise the use of tannate of soda or soda ash, in small quantities, added to feed water frequently, as a solvent, but under no circumstances should he advise the use of a commercial boiler compound for any purpose.

Where corrosion or pitting is found in boilers, the cause can generally be traced to feed water containing free sulphuric acid or acid salts, and in cases such as this the plant owner should be advised that it would be to his ultimate benefit were a better sort of water found. Should this, however, be impossible, the acidity can be neutralized by using an alkali, the addition being preferable before entering the boiler; blue litmus paper will show the neutral point when the color ceases to be of a pink tint when immersed in water.

Oil used for internal lubricating should on no account be allowed to enter the feed water supply system, and where exhaust steam after condensation is used, a filter or separator of approved make should be installed.

Overheated plates, bags, blisters and burned tubes can be avoided to a large extent if precautions are taken to keep greasy matter out of the boiler, and the first cost of a filter is small in comparison with the increased safety assured by its use.

TUBE PLATES, TUBE ENDS, FURNACES OR SHELL

where exposed to flame and combustion chambers should be thoroughly examined for flaws, cracks, bulges or bags, laminations or other defects; setting, bridging, baffles and brick work generally should be examined and condition noted.

The blow off pipe within flame space should be examined and condition of brick work or other pipe connection should have special attention.

All fusible plugs should project through the sheet at least one inch; the casing should be of brass not less than ¾-inch pipe thread and the core should not be less than ⅜-inch and made of pure tin; the position of plug will depend on the type of boiler.

A surface blow off or scum will be of great benefit if installed, as the use of this will be of much assistance in the removal of foreign matter from water, and thus prevent the formation of scale.

Feed pipes to each boiler should, in all cases, be provided with check and stop valves, the latter being placed between the boiler and check valve so as to allow repairs in cases of necessity during the time that boiler is under pressure.

Permanent iron platforms and gangways, properly railed and provided with substantial ladders, should be provided, so that all boiler mounts can be easily and safely reached without the aid of a portable ladder or other temporary appliances.

Each boiler should be provided with a steam gauge of standard make, and this should be placed in such a position as to render its reading easy.

Where automatic stoking appliance is installed, all gears, sprockets or other movable parts should be guarded, and conditions appertaining to delivery of fuel to bins or hoppers and its distribution should be noted.

CIRCULATION OF WATER IN A BOILER

is the flow caused by the density of same, differing in various sections of the boiler, partly on account of difference in temperature, and partly due to the formation of steam bubbles. The rate of ebullition depends upon the rapidity of the formation of steam bubbles from the heating surface, and in the design of a boiler, care must be exercised to allow sufficient room for the escape of the bubbles, or overheating will occur. It is especially necessary in the case of the express watertube boilers to consider the question of free circulation.

The construction of boilers at the present time is one of the industries that has reached a very high standard, and it may be noted that the laws of Massachusetts and Ohio, passed within the last few years, governing boiler construction, are recognized by the leading manufacturers to-day as making for the highest standard of efficiency.

IN CALCULATING THE STRENGTH

and safe working pressures of boilers the following formulas should be used, these being copied from the Massachusetts Boiler Rules:

$$\frac{T\ S \times t \times \%}{R \times F\ S}$$

= Maximum safe working pressure.

Where T S = Tensile strength of shell plates in pounds.
t = Minimum thickness of shell plates in inches.
% = Efficiency of longitudinal joint.
R = radius = one-half (½) the inside diameter of the outside course of the shell or drum.
F S = Lowest factor of safety.

The efficiency that a unit of length of a riveted joint has to the same unit of length of solid plate shall be calculated as shown by the following example:

T S = tensile strength of plate in pound per square inch.
t = thickness of plate in inches.
b = thickness of butt strap in inches.
P = pitch of rivets in inches on row having greatest pitch.
d = diameter of rivet after driving in inches.
a = cross sectional area of rivet after driving, in sq. ins.
s = strength of rivet in single shear =
Iron = 38,000 lbs. per. sq. in.
Steel = 42,000 lbs. per. sq. in.
S = Strength of rivet in double shear =
Iron = 70,000 lbs. per sq. in.
Steel = 78,000 lbs. per. sq. in.
c = crushing strength of mild steel =
95,000 lbs. per sq. in.
n = number of rivets in single shear in a unit length of joint.
N = number of rivets in double shear in a unit length of joint.

LAP JOINT DOUBLE RIVETED.

Example:

A = Strength of solid plate = $P \times t \times T\ S$.
B = Strength of plate between rivet holes. = $(P - d) \times t \times T\ S$
C = Shearing strength of two (2) rivets in single shear = $n \times d \times t \times c$
D = Crushing strength of plate in front of two (2) rivets = $n \times d \times t \times c$

T S = 55000.
t = 5/16 = .3125.
P = 2⅞ = 2.875.
d = ¾ = .75 inch.
a = .4418 sq. in.

Digitized by Google

s = 42000 lbs.
c = 95000 lbs.
A = 2.875 × .3125 × 55000 = 49414.
B = (2.875 — .75) × .3125 × 55000 = 36523.
C = 2 × 42000 × .4418 = 37111.
D = 2 × .75 × .3125 × 95000 = 44531.

$\frac{36523\ (B)}{49414\ (A)} = .739$ Efficiency of joint.

Divide B. C. and D. (whichever is the least) by A. and the quotient will be the efficiency of a double riveted lap joint.

Example:

Butt and double strap joint, triple riveted.
A = Strength of solid plate = P × t × T S.
B = Strength of plate between rivet holes in the outer row = (P — d) × t × T S.
C = Shearing strength of four (4) rivets in double shear plus the shearing strength of one (1) rivet in single shear = N × S × a + n × s × a.
D = Strength of plate between rivet holes in second row plus the shearing strength of one (1) rivet in single shear in the outer row = (P — 2d) × t × T S + n × s × a.

C = 4 × 78000 × .5185 + 1 × 42000 × .5185 = 183549.
D = (6.5 — 2 × .8125) × .375 × 55000 + 1 × 42000 × .5185 = 122323.
E = (6.5 — 2 × .8125) × .375 × 55000 + .8125 × .3125 × 95000 = 124667.
F = 4 × .8125 × .375 × 95000 + 1 × .8125 × .3125 × 95000 = 139902.
G = 4 × .8125 × .375 × 95000 + 1 × 42000 × .5185 = 137558.

$\frac{117304\ (B)}{134062\ (A)} = .875$ Efficiency of Joint.

Divide B. C. D. E. F. or G. (whichever is the least) by A. and the quotient will be the efficiency of a triple riveted butt strap joint.

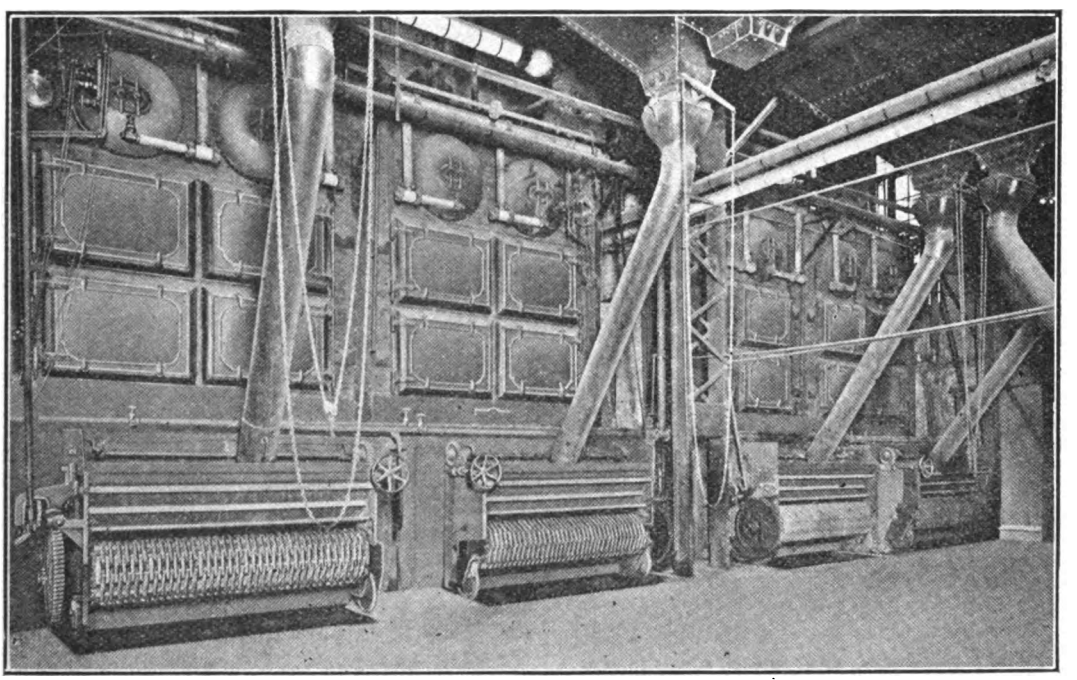
Another short rule to find the safe working pressure is:

$$\frac{\text{B P} \times \text{Efficiency of Joint}}{\text{Factor of Safety}} = \text{S W P}$$

B. P = Bursting Pressure
S W P = Safe working pressure.

Example:

Required S W P on shell of 72 ins. Diameter, 7/16 in. thickness of plate, % Efficiency = 73.



Boiler Installation with Chain Grate Stokers.

E = Strength of plate between rivet holes in second row, plus the shearing strength of one (1) rivet in single shear in the outer row = (P — 2d) × t × T S + d × b × c.
F = Crushing strength of plate in front of four (4) rivets, plus the crushing strength of butt strap in front of one (1) rivet = N × d × t × c + n × d × b × c.
G = Crushing strength of plate in front of four (4) rivets, plus the shearing strength of one (1) rivet in single shear = N × d × t × c + n × s × a.

TS = 55000 lbs.
t = ⅜ in. = .375 in.
b = 5/16 in. = .3125 in.
P = 6½ ins. = 6.5 ins.
d = 13/16 in. = .8125 in.
a = .5185 sq. in.
s = 42000 lbs.
S = 78000 lbs.
c = 95000 lbs.

number of rivets in single shear in a unit length of joint = 1
" " " " double " " " " " " " = 4

A = 6.5 × .375 × 55000 = 134062.
B = (6.5 — .8125) × .375 × 55000 = 117304.

Factor of safety = 5 T S = 55000.

$$\frac{668 \times 73}{5} = 97.5 \text{ lbs.}$$

The area of segment of a head to be stayed, shall be the area enclosed by lines drawn three inches from the shell and two inches from the tubes.

The formula to find this area is:

$$\frac{4\ H^2}{3}\sqrt{\frac{2\ R}{H}} - .608 = \text{area of segment in sq. inches}$$

H = Distance from tubes to shell minus 5 ins.
R = Radius of boiler minus 3 ins.

Example:

The diameter of boiler is 72 ins. and the distance from upper row of tubes to shell is 27 ins., find the area to be stayed.

$$\frac{4 \times 22 \times 22}{3}\sqrt{\frac{2 \times 33}{22}} - .608$$

$645.3 \times \sqrt{2.392} = 998$ sq. ins.

Digitized by Google

THE INSPECTOR SHOULD BE CERTAIN

before entering a boiler that all steam and feed valves are closed, and whenever possible these should be locked during the time he is inspecting. The blow-off valve should also be shut to avoid accident from gas where it leads to a sewer.

All manhole and hanhole doors should be taken off, allowing sufficient time for the boiler to cool. The furnace and smokebox doors should be opened for the same purpose.

A light should be lowered into the boiler before entering to find out if there are indications of gas, and if the plant provides a portable electric light for use in the boiler, the insulating of wiring should be examined.

Should a manhole through which the inspector passes be of a kind known as a "tight fit" or should he get into a narrow space within the boiler and find that he is fast, presence of mind will bring relief.

In such a case keep perfectly quiet for a short time, and try to think of something pleasant, as any worry or struggle will only add to your trouble. After a rest move the free parts of your body from wedged position as much as possible, and the fixed parts will gradually follow.

Qualifications for Boiler Inspectors.

In an address before the Insurance Institute of Hartford last week S. F. Jeter, supervising inspector of the Hartford Steam Boiler Inspection and Insurance Company, said in part:

It is the first duty of the boiler inspector to prevent accidents to the boilers under his care, and after that to give such advice as will prolong the life of the boilers, reduce the operating costs to the owner and become a general instructor and walking encyclopedia for the plant operatives, particularly in mechanical matters, but often required to give advice in connection with family troubles. A good boiler inspector to a casual observer is an ordinary mortal, but in reality he is a wonderfully constructed being. He must possess a large assortment of apparently contradictory virtues. The layman naturally assumes that if a man knows boilers and can tell when repairs should be made and how to determine safe pressure, he is fully equipped as an inspector. If this were true, the insurance companies would have to hire a corps of bouncers to get rid of the applicants for inspectorship.

BE BROAD-MINDED.

An inspector must, of course, know boilers thoroughly; in fact, he must know them so well that he feels confident that his recommendations or demands are absolutely right. On the other hand, he must be anything but bullheaded and always open to argument, and be broadminded enough to at once admit error if he finds he has taken an incorrect view owing to a lack of knowledge of all the facts or from any other cause. The inspector must be a close student of human nature, and know just how to approach an assured in order to get desired repairs made. Some people can be handed an idea, metaphorically speaking, on a silver waiter and assimilate it at once, while others require the use of an axe in order to make an impression. The inspector must be fully capable of deciding at once whether the silver waiter or axe is to be used, and if the wrong vehicle is employed, no end of trouble results, and often a good risk is lost for the want of a little tact.

MUST HAVE BACKBONE.

The inspector must have a backbone without joints when it comes to arguing a case with an assured who demurs regarding changes that are necessary for safety. The inspector is often given honeyed words and false praise in an endeavor to cause him to recede from demands for changes recommended or condemnation of unsafe apparatus, but if he knows he is right he must turn a deaf ear to all such blandishments.

The inspector must be physically robust, for boiler inspecting is no child's play, but is one of the most fatiguing of occupations. The inspector is often required to undergo severe temperature changes; notwithstanding, the inspection of boilers is a very healthful occupation, owing to the exercise and out-door nature of the work. The boiler inspector should be gastronomically built like a camel and learn to eat and drink when he reaches a point where food may be obtained. These gastronomic requirements do not particularly apply to New England inspectors, but in the West and South it is a real and necessary qualification. The inspector must be capable of expressing himself well, both orally and in writing, for it is only by properly presenting the findings of his inspection that he can hope to impress the assured with the value of his work.

The inspector must be cosmopolitan in every sense of the word, for while he necessarily comes in contact and must treat in a manner to retain the friendship of the lower grade employees in a plant, he must also be capable of meeting the higher officials on an equal footing.

TWO GENERAL CASES

Boiler inspections are divided into two general classes, usually termed external and internal inspections, but the names would better designate the nature of the inspections if they were called operating and general inspections. The external inspection is usually made without any previous notice to the assured, and the inspector's duties in connection with this inspection are such that the operation of the plant is in no way interfered with, providing, of course, everything is found in order.

LIABILITY COURT DECISIONS.

A Concise and Convenient Digest of Rulings of Courts of Last Resort in the Various States Affecting the Business of Liability Insurance.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Illinois.

1. Workmen's Compensation Act—Constitutional Law—Police Power.

The workmen's compensation act of Illinois is not an attempt to exercise the police power, since the provisions of the act are not compulsory and the privation of the defenses of assumed risk, negligence of fellow-servants, and contributory negligence, are not an exercise of the police power, but merely a declaration of the legislature of the public policy of the State in that respect.

2. Same—Same—Classification.

Where the workmen's compensation act, which provides an elective scheme of compensation for death or injury of employee, and, on such election, is made applicable to every employee engaged in certain employment, and specifies employees engaged in other employment that shall be excepted from the provisions of the statute, such act makes a proper and reasonable classification. The provision of the act, taking away from an employee accepting the act any other remedy than that provided therein, and providing that the act should not affect an employer civilly liable, when the injury was caused by his intentional omission to comply with statutory safety regulations, is not an improper classification.

3. Same—Same—Delegation of Judicial Power.

Where the workmen's compensation act of Illinois provides a scheme of compensation for death or injury of employees with a determination of damages by agreement or arbitration as prescribed therein, with the right of appeal and trial by jury, and makes the act not compulsory, but effective only as two parties electing to accept its provisions, and becomes part of the contract of employment, where an employer and an employee both elect to come within its provisions, such act is not unconstitutional as a delegation of judicial power to such arbitrators.

4. Same—Same—Searches and Seizures.

Where the workmen's compensation act of Illinois provides that any question of law or fact arising in the application of the act in determining compensation shall be determined either by agreement or by arbitration, requiring both parties to submit to the arbitrators all facts or evidence in their possession or under their control relating to the questions to be determined, requiring the arbitrators to hear all the evidence submitted, and empowering them to direct the examination of the employee by a regular physician or surgeon, such act is not invalid as authorizing an unreasonable search and seizure, since the provision of the act is not compulsory, but elective.

5. Same—Same—Right to Contract.

Where the workmen's compensation act of Illinois gives an employee entitled to compensation thereunder a preferred claim against the employer's property, which shall not be assignable, and prohibits any employee from waiving any of the provisions as to the amount of compensation payable, such act is not invalid as depriving the employee of his right to contract and of his natural right of waiver, since its provisions are not compulsory, but elective.

Judgment for defendant on demurrer in the Circuit Court, Cook County, here affirmed in the Supreme Court of Illinois.

DEIBEIKIS VS. LINK-BELT CO.,
104 Northeastern, 211. (February 21, 1914.)

Digitized by Google

Indiana.

1. Injury to Crane Operator—Sufficiency of Complaint.
The complaint alleged that certain gears, pinions, and bearings in the machinery had become so worn and out of repair as to cause the flanges of the wheels of the crane to bind on and climb the rails over which the crane was operating, and thus cause the crane to run unevenly and lurch from side to side, and that, a few days before the injury plaintiff noticed such condition and called it to the attention of the crane foreman and was promised repairs, and, relying on such promise, plaintiff continued to work and while performing the duties of his employment by reason of the lurching of the crane was thrown sidewise from his seat and his arm caught between the end of the crane and a column and crushed, the complaint was sufficiently definite and alleged a sufficient causal connection between the negligence alleged and the plaintiff's injury.

2. Same—Assumption of Risk.
Where an employee has complained of defects in machinery he has to use, and the employer induces the employee to continue the work by a promise to repair, the employer assumes the extraordinary risk pending the fulfillment of the promise whether the defect is latent or patent.

3. Same—Same—Defective Machinery.
While the injury was due to the defects in the machinery specified in the complaint, such defects were not so threatening that a reasonably prudent man would not have continued to use the crane, and the complaint did not show, as a matter of law, that plaintiff either assumed the risk or was guilty of contributory negligence.

4. Same—Same—Special Interrogatories.
Where the jury, in answer to certain interrogatories, found that the foreman, on making an inspection, learned that a gear wheel located at one corner of the crane was warped and informed the plaintiff that such warped wheel caused the crane to lurch or jar, and the foreman promised to procure a new gear wheel as soon as he could get one cast, the special finding that it was only necessary to procure one new wheel to repair the crane did not show that the defect found was different from that alleged, since the "gear wheel" appeared to be one of the "cog wheels" or "pinions" referred to in the complaint.

5. Same—Same—Same—Promise to Repair.
The finding that defendant's crane foreman promised to replace a warped gear wheel, connected with the crane on which plaintiff was employed, "as soon as he got time to get one cast and cut out" was not in conflict with an averment in the complaint of a promise to repair within a reasonable time. Such promise was not conditional and plaintiff was entitled to rely thereon, and, in the absence of contributory negligence, was entitled to recover for injuries caused by the defects within the period covered by the promise, the length of which was a question of fact for the jury.

6. Same—Same—Same—Reference to Liability Insurance.
Where the employer was insured against such accident, and the action was being defended by an attorney employed by the insurer, the counsel for the employee, for the purpose of an intelligent exercise of his peremptory challenges, was entitled to ask the jurors if they were stockholders, officers or agents or in any wise connected with the insurance company, but it was improper for counsel to further add that such company was defending the action.

7. Same—Same—Same—Effect of Liability Insurance.
Where the court permitted the counsel for the employee to inquire of the jury whether any of them were in any way connected with the insurance company it was error to refuse to charge the jury that they should not consider the fact of insurance, especially where the verdict was large and was attacked as excessive.

Judgment for plaintiff in Superior Court, Lake County, here reversed in the Supreme Court of Indiana.

INLAND STEEL CO. vs. GILLESPIE,
104 Northeastern, 76. (February 17, 1914.)

---

1. Statutes of Indiana—Effect of Statute—Constitutional Law.
Where the Employers Liability Act of Indiana (Laws of 1911, Ch. 88), making certain employers liable for injuries or death of employees due to the negligence of the employers or of their agents or servants, places the burden of proving contributory negligence and assumption of risk on the employer and provides that no such employee shall be held negligent by reason of the assumption of risk in certain cases, and provides that the burden of proving that the injured employee did not know of defects in the place of work, or in the tool, and so forth, or was not chargeable with knowledge thereof shall be on the employer, such statute does not change the law as it formerly existed as to when an employee assumes the risk or is negligent, or as to the burden of proof as to negligence, but does destroy the fellow-servant rule, and changes the rule as to the burden of proof as to knowledge, or constructive knowledge of the defect in the place, tool, or appliance.

2. Same—Same—Same—Due Process of Law.
Where the Employers Liability Act of Indiana creates no liability on the part of an employer where there is no negligence, such act does not deprive employers of liberty or property without due process of law.

3. Same—Same—Same—Classification—Equal Protection of Laws.
Where the Employers Liability Act of Indiana applies only to employers of five or more persons it is not invalid as denying the equal protection of the laws, since there is some basis in reason for distinguishing between an employer of a large number of employees and an employer of a few employees, and it cannot be said that it was unreasonable to separate employers into two classes, i.e., those employing five or more persons and those employing less than five. While legislative classification must have some reasonable basis upon which to rest, unless the courts are satisfied that there can be no basis in reason therefor, they will not overthrow the statute.

4. Same—Same—Same—Common Law Provisions Retained.
Where the Employers Liability Act of Indiana, which applies only to employers of five or more persons, provides that an employee shall not be held to have assumed the risk of any defect in the place of work or in the tool, implement or appliance, furnished him by the employer, where such defect prior to the injury was, or by ordinary care might have been, known to the employer in time to have repaired it, or to have discontinued the use thereof, such act does not require employers of five or more persons to exercise a higher diligence than those of less than five, since at common law it is the employer's duty to furnish or to exercise ordinary care to see that tools, implements or places of work are reasonably safe, and that rule of law still obtains as to all employers.

5. Same—Same—Same—"Business"—"Commerce."
Where the Employers Liability Act of Indiana applies only to employers of five or more persons engaged in business, trade, or commerce, such act applies to railroads; "Business" being that which occupies the time, attention, or labor of man for the purpose of profit, or improvement as the principal concern, and "Commerce" being traffic, which includes the means and vehicles by which traffic is accomplished and also intercourse or transportation, though there was already in force a statute fixing the liability of railroad to their employees.

6. Same—Same—Same—Constitutional Law.
In an action for personal injuries, where under the first paragraph of the complaint the evidence made a question for the jury as to negligence, while under the second paragraph of the complaint there was no question of defendant's liability, whether the Employers Liability Act of Indiana, providing that all questions of assumption of risk, contributory negligence, negligence of employers, shall be for the jury, unless the case is tried without a jury, when there shall be questions of fact for the court, is invalid as depriving courts of judicial function need not be determined on appeal.

7. Same—Same—Same—Partial Invalidity of Statute.
Where the Employers Liability Act of Indiana provides that all questions of assumption of risk, negligence of employers or contributory negligence shall be for the jury, unless the case is tried without a jury, when they shall be questions of fact for the court, such provision, if invalid, is entirely severable from the other provisions of the act.

8. Same—Same—Same—Instructions to Juries.
In an action under the Employers Liability Act of Indiana, brought by a brakeman for injuries caused by the alleged negligence of the engineer in backing against the car on which he was riding, where the evidence showed that his place of work became unsafe either through the engineer's negligence or through the giving of a negligent order requiring him to be at that place, an instruction to the jury that as defendant was a corporation and could not discharge in person the obligation of furnishing its employees a reasonable safe place to work, and appliances with which to work, but must provide some agent to take its place, the agent to whom it delegated this duty stood in its place and stead, was not misleading, where the charge was otherwise proper, though there was no allegation in the complaint of a failure to furnish a reasonably safe place or appliances with

Digitized by Google

which to work, since it was negligence and not the place of work which produced the injury.

Judgment for plaintiff in the Circuit Court Morgan County here affirmed in the Supreme Court of Indiana.

VANDALIA RAILROAD COMPANY VS. STILWELL,
104 Northeastern, 289. (March 10, 1914.)

Massachusetts.

1. Loss of Vision—Workmen's Compensation Act—Statutes of Massachusetts—Injury to Health.

In an action under the Workmen's Compensation Act of Massachusetts (Statutes 1911, Ch. 751, as amended by Statutes 1912, Ch. 172, 571, and by Statutes 1913, Ch. 746), the statute is to be liberally construed and an employee suffering a total loss of vision in both eyes, resulting from an acute attack of optic neuritis, induced by poisonous coal tar gases escaping from furnaces about which he was required to work was entitled to compensation, since the loss of vision was a "personal injury arising out of and in the course of his employment" within the meaning of the statute.

2. Same—Same—Same—Nature of Injury.

Where the Workmen's Compensation Act of Massachusetts designates the Industrial Board as the "Industrial Accident Board," such designation does not imply that the personal injuries for which compensation is awarded shall arise from purely accidental causes.

3. Same—Same—Same—Construction of Statutes.

In the construction of a statute resort may be had to the amendment of a related provision, indicating the general intent of the Legislature as to the meaning of the statute in question.

Decree of the Superior Court, Suffolk County, on decision of Industrial Accident Board against the insurer here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE HURLE
IN RE PLYMOUTH CORDAGE COMPANY
IN RE AMERICAN MUTUAL LIABILITY INSURANCE COMPANY,
104 Northeastern, 336. (February 28, 1914.)

1. Injury to Waiter—Workmen's Compensation Act—Statutes of Massachusetts—"Casual."

Where the Workmen's Compensation Act of Massachusetts (Statutes 1911, Ch. 751, Part 5, Sec. 2), provides "employee" shall include every person in the service of another under any contract of hire, express or implied, oral or written, . . . except one whose employment is but casual or is not in the usual course of the trade, business, profession or occupation of his employer," the contract for, rather than the nature of, the services is the test as to whether the employment is "casual"; the word "casual" in common use signifies something which comes without regularity and is occasional and incidental as opposed to regular, systematic, periodic, and certain; the word "or," which ordinary accurately is disjuncted marking an alternative, may be construed as "an" when the context and the purpose seem to demand it, and is not used in this section to mean (to wit) or to identify with or in explanation of that which goes before. Where the injury occurred to a waiter, in the course of his employment for a single day or occasion at a fixed wage per day, together with transportation, leaving the waiter free to return or go elsewhere after the service was performed the employment was "casual" and defeated a recovery claimed under the statute.

Decree of the Superior Court, Suffolk County, affirming decision of the Industrial Accident Board here reversed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE GAYNOR,
104 Northeastern, 339. (February 27, 1914.)

1. Sufficiency of Notice—Employers' Liability Act—Statutes of Massachusetts.

Where the statutes of Massachusetts (Statutes 1909, Ch. 514, Sec. 132), provides that there can be no recovery under the Employers Liability Act (Rev. Laws 1902, Ch. 106, Sec. 71), unless notice of the time, place and cause of the injury be given to the employer, a letter written by the attorneys for an injured employee, reciting that the employee had retained them in his case against the employer for injuries sustained through the negligent starting of an engine, while the employee was cleaning the flywheel and on the 12th day of June, is sufficient, although in the form of a letter and containing a proposal for negotiations.

2. Same—Same—Same.

Under such statutes, a notice signed by the attorneys, retained by the employee to assist him and reciting that fact, is sufficient, although it did not recite that the attorneys so signed in behalf of the injured employee.

Judgment for plaintiff on report from Superior Court, Bristol County, here awarded in the Supreme Judicial Court of Massachusetts. Bristol.

MENIZ VS. QUISSETT MILL,
104 Northeastern, 286. (February 25, 1914.)

1. Sufficiency of Notice—Employers' Liability Act—Statutes of Massachusetts.

Under the Employers Liability Act of Massachusetts (Rev. Law 1902, Ch. 106, Sec. 71), a communication sent by the attorneys for an injured employee, reciting that on January 8 the employee, while employed on a building, received severe injuries from a fall caused by the employer's negligence in not properly bracing a landing upon which the employee was obliged to stand, is sufficient to warrant a recovery.

2. Same—Same—Same—Assumption of Risk.

In an action for personal injuries by an employee against his employer the question of assumption of risk is for the jury. An employee does not assume the hazard of being sent into a place which appears safe but is in fact dangerous.

3. Same—Same—Same—Negligence of Master.

In an action for personal injuries by an employee against his employer the question of the negligence of the employer is for the jury.

Exception to verdict for plaintiff in Superior Court, Suffolk County, here overruled in the Supreme Judicial Court of Massachusetts. Suffolk.

MITCHELL VS. WILLIAM L. MORRISON COMPANY,
104 Northeastern, 287. (February 25, 1914.)

1. Injury from Freight Elevator—Workmen's Compensation Act—Statutes of Massachusetts—Effect of Findings.

Where the Workmen's Compensation Act of Massachusetts (Statutes 1911, Ch. 751, Part 3, as amended by Statutes 1912, Ch. 571) provides that a decree of the committee of arbitration of the Superior Court "shall have the same effect . . . as though rendered in a suit duly heard and determined by said court, except that there shall be no appeal therefrom . . ." a finding of the Board assessing compensation affirmed and adopted by the Industrial Accident Board has the effect of a verdict and cannot be set aside on appeal, where there is some evidence to sustain it.

Decree of Superior Court, Suffolk County, against insurer here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE DIAZ
IN RE LEY & COMPANY, INC.
IN RE CONTRACTORS MUTUAL LIABILITY INS. CO.
104 Northeastern, 384. (February 28, 1914.)

1. Injury from Wagon—Workmen's Compensation Act—Statutes of Massachusetts.

In a proceeding under the Workmen's Compensation Act of Massachusetts (Statutes 1911, Chapter 751, as amended by Statutes 1912, Chap. 571) the findings of fact of the Industrial Accident Board, upon review of the reports of the Arbitration Committee, are conclusive on review of the Appellate Court.

2. Same—Same—Same—Effect of Findings.

Under the Workmen's Compensation Act of Massachusetts, where a workman engaged in the cleaning of catch-basins was furnished a wagon by his employer in which to ride to and from the vicinity of the catch-basins, and the wagon was at the service of the employes at the end of the day, and the employes, if they wished, might ride in it back to the employer's barn and the workman was injured while so riding in the wagon at the end of the day's work and the Industrial Accident Board has found that his transportation on the wagon was "incidental to his employment," the injury arose out of and in the course of his employment.

Decree of the Superior Court, Suffolk County, against insurer here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE DONOVAN
IN RE MCGREEVEY
IN RE ROYAL INDEMNITY CO.,
104 Northeastern, 431. (February 27, 1914.)

1. Workmen's Compensation Act—Statutes of Massachusetts—Effect of Findings.

In a proceeding under the Workmen's Compensation Act of Massachusetts (Statutes 1911, Chap. 751, as amended by Statutes 1912, Chap. 571) the findings of fact by the Industrial Accident

Digitized by Google

Board are not open to revision on appeal, nor as the evidence is not reported can it be contended that as a matter of law the findings were not warranted.

2. Same—Same—"Dependents."

In a proceeding under the Workmen's Compensation Act, whether a wife and child were dependent upon the employe, so as to be entitled to compensation, must be determined upon evidence of the fact as it existed at the time of the injury, and the Industrial Board, having found that the wife was not dependent upon the employe for support, but that the child was partially dependent, properly awarded compensation to the child and not to the wife.

Decree of the Superior Court, Suffolk County, affirming decision of the Industrial Accident Board, here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE BENTLEY
IN RE BURNHAM BROTHERS
IN RE MASS. EMPLOYES INS. ASSOCIATION,
104 Northeastern, 432. (February 27, 1914.)

---

1. Workmen's Compensation Act—Statutes of Massachusetts —"Dependent."

In a proceeding under the workmen's compensation act of Massachusetts (Statutes 1911, Chap. 751), the question whether the claimant was dependent wholly, partly, or at all, upon her deceased father for support was a question of fact, and as to all questions of fact the findings of the Industrial Accident Board are conclusive.

2. Same—Same—Same—Effect of Findings.

Where all the evidence is reported it may become a question of law whether there was any evidence upon which the finding that the claimant was dependent upon her deceased father for support could have been made, and where there was some evidence that she had been wholly dependent upon her deceased father, the compensation was properly awarded to her.

Decree of the Superior Court, Suffolk County, against insurer here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE HERRICK
IN RE MILLETT, WOODBURY & CO.
IN RE EMPLOYERS' LIABILITY ASSURANCE CO.,
104 Northwestern, 432. (February 27, 1914.)

---

1. Injury to Farm Laborer—Workmen's Compensation Act—Statutes of Massachusetts.

Where the employers' liability act (Statutes 1909, Ch. 514) and workmen's compensation act (Statutes 1911, Chap. 751) provide that those acts should not apply to injuries of farm laborers, a workman employed as a laborer on a farm, engaged exclusively in the work of farm laborer, is a "farm laborer" and cannot recover compensation for injuries under the statutes.

2. Same—Same.

In a proceeding under the workmen's compensation act, not applying to injuries to farm laborers, and providing that subscribers to the Employers' Liability Insurance Company shall give notice to those in his employ for whose benefit he has secured a policy, and that if one becomes a subscriber in any respect he shall be liable to all the provisions of the act, and providing that, if an employee of any subscriber files a claim with or accepts any payment from the association, such act shall constitute a release of all claim and demands at law, where a farmer engaged in selling and delivering produce procured a policy for those of his employees who drove teams and delivered produce, the farmer was not rendered liable under the act to an ordinary farm laborer, who was injured and for whose benefit no policy had been procured.

Decree of the Superior Court, Suffolk County, affirming a decree of the Industrial Accident Board denying the employee relief here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE KEANEY
IN RE TAPPAN ET AL.
IN RE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED,
104 Northeastern, 438. (February 27, 1914.)

Mississippi.

1. Injury to Engineer—Statutes of Mississippi—Constitutional Law—Fellow Servant Rule.

Where the constitution of Mississippi, Sec. 193, declares that every employee of any railroad corporation shall have the same rights and remedies, for any injuries suffered by him from the act of the corporation or its employees, as is allowed to other persons not employees, where the injury results from the negligence of a superior agent, or person having the control of the injured servant, or from a fellow-servant in another department of labor or engaged on another train, and that the legislature may extend the remedies provided to any other class of employees, this provision did not inhibit the legislature from making a broader abrogation of the fellow-servant doctrine; hence the statute of Mississippi (Laws 1908, Chap. 194, amending Code 1906, Sec. 4056) abolishing the fellow-servant rule in actions for injuries to employees of railroads and others operating engines and trains is not invalid.

2. Same—Same—Same—Equal Protection of Laws.

Where the statute of Mississippi (Laws 1908, Chap. 194, amending Code 1906, Sec. 4056) abolishes the fellow-servant rule in actions for injuries to employees of railroads and others using engines or cars of any kind propelled by the several dangerous agencies of steam, electricity, gasoline, etc., and running on tracks, is not invalid as in conflict with the constitution of the United States, Amend. 14, extending the equal protection of the law to all, because it applies only to those using such agencies operating on tracks, the classification being a legitimate one, and the highways not being in such condition that there is great danger from the operation thereon of traction engines and similar machines.

3. Same—Same—Same—Ex Post Facto Laws.

Where the statutes of Mississippi (Laws 1912, Chap. 215) provide that in all actions against railroads or others using locomotives, proof that the injury was inflicted by the running of engines shall be prima facie evidence of want of reasonable skill and care, such statutes are applicable to an action by a servant who was injured before its enactment, the trial coming thereafter; the statutes governing practice and procedure are at all times subject to modification, and a retrospective construction does not make them invalid.

5. Same—Same—Same—Trial of Action.

In an action for personal injuries, while a jury should be kept free from outside influence, and the trial judge should use due care to see that this is accomplished, the denial of a motion for a new trial in a personal injury action, on the ground that the jury learned that the defendant had offered a settlement, is not necessarily erroneous, where it was not shown that the jury gained the information through corrupt means.

6. Same—Same—Same—Verdict not Excessive.

In an action for personal injuries to an engineer, who was twenty-nine years of age and in good health, and was earning $75 a month, an award of $17,500 is not excessive, where it appeared that his foot and ankle were crushed, the bones in his leg broken and that he suffered great pain for five months until he had to have his leg amputated.

Judgment for plaintiff in Circuit Court, Covington County, here affirmed in the Supreme Court of Mississippi.

EASTERLING LUMBER CO. VS. PIERCE.
64 Southern, 461. (March 2, 1914.)

New York.

1. Injury from Fall of Scaffold—Liability of General Contractor to Employee of Sub-contractor.

Where an employee of sub-contractor engaged in the construction of a building, who was doing the iron work, was injured by the fall of a scaffold erected by the general contractor, who was doing the mason work, having been sent by his foreman to bring a tool from another part of the building to which the scaffold offered the only means of access, the sub-contractor was liable for the injuries received by reason of the scaffold being unsafe.

Judgment of the Appellate Division of the Supreme Court, Second Department, reversing a judgment in favor of plaintiff in Trial Term, Supreme Court, Kings County, here reversed in the Court of Appeals, New York.

BOHNHOFF VS. FISCHER,
210 N. Y., 172. (February 3, 1914.)

---

1. Action Under Employers' Liability Act—Statutes of New York—Sufficiency of Notice.

In an action for injuries to the plaintiff caused by his right arm being caught between a belt and a pulley operating the coal chute, the notice required by the statutes of New York (Labor Law, Chap. 31, Consol. Laws, Sec. 201) must be "signed by the person injured or some one in his behalf."

Digitized by Google

2. Same—Same—Same—Cause of Injury.

Where the employers' liability act requires such notice to state the "time, place and cause of the injury," and the notice stated as the cause of the injury that it occurred while plaintiff "was cleaning a belt in the boiler room" of a designated building, it was insufficient, for it stated neither the physical nor the negligent cause of the injury.

3. Same—Same—Reference to Liability Insurance.

On the trial of the action, where the circumstances indicate that one object of a question was to suggest to the jury that the defendant was insured in an employers' liability insurance company in order to induce them to give a larger verdict, a judgment will be reversed unless it clearly appears that it could not have influenced the verdict, and in this case it cannot be said that the admission of evidence relative to the defendant having insurance against liability was harmless.

Judgment of the Appellate Division, Supreme Court, Second Department, affirming judgment in favor of plaintiff, in Trial Term, Supreme Court, Kings County, here reversed in Court of Appeals, New York.

RODZBORSKI vs. AMERICAN SUGAR REFINING CO.,
210 New York, 262. (February 24, 1914.)

Ohio.

1. Injury to Ironworker—Workmen's Compensation Act—Statutes of Ohio—"Wilful Act."

Where the workmen's compensation act of Ohio (102 Ohio Laws, p. 528) provides that the act should not prevent a recovery at law for injuries sustained by an employee from the wilful act of the employers or his officers or agents, and so forth, such act is not limited to an act done intentionally with a purpose to inflict injury, but includes acts which are not mere negligence, but which evince an utter disregard of consequences so as to inflict the injury.

2. Same—Same—Same—Failure to Provide Safeguards.

Under the statutes of Ohio (Gen. Code, Sec. 12593) providing that whoever, employing or directing another to do or perform labor in erecting any structure negligently, or knowingly furnishes unsuitable or improper scaffolding, hoists, etc., which shall not give proper protection to life or limb of the employee, shall be fined, where an employer in erecting an iron chemical storage tank compelled the use of a derrick, knowing that the mast was leaning some two feet from perpendicular and that one of the guy lines was weak, and by reason of these defects the scaffolding and derrick collapsed, causing injury to the workman employed thereof, such injury resulted from the failure of the employer to comply with the statute for the protection of safety to employees within the workmen's compensation act (102 Ohio Laws, p. 528), providing that compliance with the act should not be a defense to an action for injuries to an employee resulting from the employer's failure to comply with a statute for the protection of the life or safety of the employee.

3. Same—Same—Same—Excessive Verdict.

Where a workman was injured by the fall of a derrick and certain scaffolding while employed in the construction of an iron chemical storage tank, and it appeared that the workman was rendered a cripple for life, and that in order to do any sort of manual labor he would have to wear a steel brace on his leg as long as he lived, and that he would suffer pain continuously for the remainder of his life, a verdict of $14,000 awarded by the jury was not excessive.

Judgment for plaintiff in District Court of the United States, N. D., Ohio E. D.,, and new trial denied.

MCWEENY vs. STANDARD BOILER & PLATE CO.,
210 Federal, 507. (January 15, 1914.)

Pennsylvania.

1. Death of Miner—Statutes of Pennsylvania—Failure to Comply with Statute—Cause of the Accident.

In an action for the death of a mine employee, in an entry not provided with space to allow the driver to keep clear of cars, as required by the statutes of Pennsylvania (P. L. 78, Act of May 15, 1893, Art. 20), the evidence was sufficient to sustain a finding that the condition of the entry in violation of the statute was the proximate cause of the accident.

2. Same—Same—Same—Assumption of Risk.

Where a mine employee is injured from the mine operator's failure to comply with the statutes the doctrine of assumption of risk is not available as a defense.

3. Same—Same—Same—Operation of Statute.

The mine was not excepted from the requirements of such statute by the provisions thereof that it shall not apply to any mine employing less than 10 persons in any one period of 24 hours, though there was no evidence as to how many men were employed when the accident occurred, where the evidence showed that when the entry was constructed 12 or 13 men in 24 hours were working in the mine; a mine once brought within the act being presumed to remain within the act until something appears to the contrary.

4. Same—Same—Same—Contributory Negligence.

Where it appeared that no one witnessed the accident, the question whether the deceased was guilty of contributory negligence was for the jury.

5. Same—Same—Same—Declarations—Res Gestae.

The employee's declarations describing the manner in which the accident occurred were admissible as part of the res gestae, when made within half an hour of the accident to the first person who appeared, and while the employee lay suffering.

Judgment for plaintiff in Court of Common Pleas, Somerset County, here affirmed by the Supreme Court of Pennsylvania.

SMITH vs. STONER,
89 Atlantic, 795. (January 5, 1914.)

1. Injury from Belt Shifter—Statutes of Pennsylvania—Failure to Comply with Statute.

Under the Factory Act of Pennsylvania (P. L. 355, Act of May 2, 1905, Section 11), requiring machinery to be provided with belt shifter or other mechanical contrivances for throwing on or off belts or pulleys, a master is liable for injuries resulting to an employee not at fault from the master's failure to comply with the statute.

2. Same—Same—Same—Instructions to Jury.

Where the undisputed evidence showed that if the belt had been provided with a belt shifter, as required by the Factory Act of Pennsylvania (P. L. 355, Act of May 2, 1905, Section 11), the accident could have been avoided, it was not error to instruct the jury that the failure of the defendant to comply with the statute was negligent.

Judgment for plaintiffs in Court of Common Pleas, Allegheny County, here affirmed by the Supreme Court of Pennsylvania.

KELLIHER ET AL vs. BROWN & COMPANY,
89 Atlantic, 589. (January 5, 1914.)

1. Injury from Uncovered Hole in Floor—Safe Place to Work—Question for Jury.

Where the uncontroverted evidence showed that the plaintiff was an employee of the defendant company; that, while so employed he fell into an unguarded hole in the floor of the defendant's plant; that the floor consisted of removable iron plates, so designed for the purpose of affording access to the large presses of the company whose foundations were some ten or twelve feet below the floor level covered by said iron plates; that one of these iron plates, about 4 x 8 feet in dimensions, had been removed and the hole unguarded during the night; and the employee, while in the discharge of his duty, inadvertently walked into it and was seriously injured, the evidence of negligence was sufficient to carry the case to the jury.

2. Same—Same—Safe Place to Work—Delegation of Duty.

The duty to provide a reasonably safe place to work, and to maintain it in a reasonably safe condition by inspection and repair, is a direct, personal, and absolute obligation from which nothing but performance can relieve an employer, and the person to whom it is delegated becomes a vice principal whose neglect is the neglect of the employer.

3. Same—Same—Same—Contributory Negligence—Question for Jury.

The question of the negligence of the defendant, where the removal of the large iron plate left an unguarded hole in the floor and made the place a dangerous trap to those who had occasion to pass that way in the performance of their duty and who had no notice of its being unguarded, and the question of the negligence of the employee, in not seeing the hole and avoiding the danger of falling into it, were questions for the jury and were submitted to the jury under proper instructions.

4. Same—Same—Same—Assumption of Risk—Question for Jury.

Where the evidence and inferences therefrom left it doubtful whether the plaintiff assumed the risk of injury, the question of assumption of risk was for the jury.

Judgment for plaintiff in the Court of Common Pleas, Butler County, here affirmed by the Supreme Court of Pennsylvania.

KILLMER vs. FORGED STEEL WHEEL CO.,
89 Atlantic, 810. (January 5, 1914.)

Digitized by Google

(*Continued from page 330*)

protects a loaned car, but does not apply to "joy ride" expeditions. The Zurich has adopted a practically identical endorsement. A similar extension of coverage, excepting persons under sixteen years of age, has been announced by the London and Lancashire Guarantee and Accident.

The Wisconsin courts are likely to be asked to pass upon the matter of a **"safe place of employment"** in the case of an employee who lost an arm while working about a pile driver. The Wisconsin Industrial Commission ruled that it was without jurisdiction on the ground that the law relates only to cases where a specific duty as to safety is imposed upon the employer. The commission suggested that it would be glad to have the point determined in court.

The **New York State Workmen's Compensation Commission** has appointed Joseph H. Woodward, an auditor in the New York State Insurance Department, as chief actuary for the commission. He will be assisted in the preparation of premium rates by Miles M. Dawson, and the schedule must be ready by June 1. Temporary quarters for the commission have been taken at 141 Broadway.

According to a news despatch from Omaha, it has been ascertained that the members of the party which **went into Mexican territory** to recover the body of Clemente Vergara, the Texas ranchman who was shot and bayoneted by Mexicans, were members of the Woodmen of the World, which order has paid the amount of the accident policy held by Vergara.

The proposed **revision** of accident insurance policies is **not likely** to be made, according to an announcement this week. The companies retain the spirit which President Hillas of the Fidelity and Casualty hoped the conferences would eliminate, and which has heretofore made the revision impossible. No further meetings are to be held for the present.

The Royal Indemnity has prepared a **short form** of individual fidelity bond, which is only thirty-six lines long. It provides for the return of excess losses and is good anywhere without notice of transfer. No definite time for expiration is fixed, and the protection continues indefinitely, with privilege of concellation at any time by either party.

A bill has been reported in Massachusetts which will **increase the rate of compensation** from 50 per cent. to 66⅔ per cent., but benefits do not begin from date of injury, the object being to increase benefits without raising the cost of the insurance. The period is increased from 300 to 500 days, and the maximum limit from $3,000 to $4,000.

One of the first suits in Connecticut against a company which has refused to come under the law is one against the American Thread Company, which gave notice that it would not accept the workmen's compensation act. Under the law the company has no defenses and the workman is merely required to prove employment and injury.

The Tennessee Workmen's Compensation Commission has fixed June 12 as the date for the **final public hearing** on the proposed workmen's compensation bill to be submitted to the next legislature. A determined contest is being made over the question of exclusion of domestics and farm laborers from the provisions of the bill.

A jury at Rutland, Vt., on Wednesday returned a verdict of **guilty** against Clifford C. Fletcher, formerly president of the Vermont Accident insurance company, who was charged with the embezzlement of $1,950 of the company's funds. Fletcher maintained that the transaction was a loan and that proper security was given.

The **Continental Casualty** and the Continental Assurance, both of Chicago, and of which H. G. B. Alexander is president, will move their head offices in Chicago on May 1 to 910 Michigan Avenue. They now have about 250 employees in the home office, and want of space for them compelled the seeking of new quarters.

The Insurance Federation of Missouri is organizing a department **to watch legislation** at the coming session of the legislature and oppose any attempts at political manipulation of insurance bills. Agents throughout the State are enlisting to support the movement.

The widow of John McAlpin, the Duluth lumberman who died from being shot on August 15 last, and who carried heavy insurance, **has sued** the Fidelity and Casualty for $50,000, the Pacific Mutual Life for $15,000 and the London Guarantee and Accident for $24,000.

The **Bankers' Guaranty and Casualty** of Cleveland, Ohio, has made application for a receiver to wind up the affairs of the corporation. It had never done any insurance business, and it is thought that the investors will receive about 80 per cent. of the money paid in.

The **Florida Fire and Casualty** has elected the following officers: President, C. H. Barnes; vice president and treasurer, Henry Gaillard; second vice president, Charles Blum; third vice president, W. S. Hart; secretary, Gerald E. Hart.

An opinion by Justice Bergen of the New Jersey Supreme Court is that under the employers' liability law of 1911 no compensation is provided for **alien dependents** of a workman who are not resident in the United States.

The Fidelity and Casualty is cancelling all its **East Side general liability risks.** Notwithstanding a raise in rates made some time ago, the company has had a bad experience and has decided to retire from the territory.

The **loss** caused by the successful burglary of a jeweler's show window on Broadway this week **falls on Lloyds, London,** where policies for $10,000 were secured at a reduced rate some time since to replace an Ætna policy.

The California industrial accident commission has ruled that an employer's **responsibility begins** when the employee arrives on the premises and ceases when he leaves, providing he does not loiter after quitting time.

Owing to the **many accidents** reported during the construction thus far of the new Equitable building at 120 Broadway, the Maryland Casualty has canceled its liability policy.

Personal.

AGENCY APPOINTMENTS

British America of Toronto: Gilmour, Rothery & Co., Boston, Mass.

Columbian National Fire: J. F. Magee, California general agent.

Commercial Union: I. E. Reidinger, Ohio special agent assisting A. M. Cole.

Digitized by Google

Connecticut General Life: Donald A. Johnston, of Detroit, manager for Michigan.

First National Fire of Washington, D. C.: Edward Brown & Sons, of San Francisco, general agents for the Pacific Coast.

John Hancock Mutual Life: W. D. Cronkhite district agent for Washington, D. C.; J. E. Kreh, Jr., general agent for Iowa with headquarters at Des Moines.

Massachusetts Fire and Marine: M. C. Harrison, California general agent.

Massachusetts Mutual Fire and Marine: M. C. Harrison, general agent for California.

Northwestern National of Milwaukee: H. L. Layfield, special agent for North Carolina, South Carolina, Georgia and Florida, with headquarters at Atlanta.

Potomac Fire of Washington: F. J. King, Ohio special agent.

Urbaine of Paris: Reed & Kaynor, Springfield, Mass.

Mr. Joseph H. Woodward, who has been appointed actuary of the New York State Workmen's Compensation Commission, is a former newspaper man and was for several years actuary for the Connecticut insurance department. He joined the New York insurance department when it was reorganized by Otto Kelsey in 1908. He is a highly capable actuary and should render the commission valuable service.

Mr. R. S. Odell, one of the veteran fire underwriters of the Western field and State agent of the Fidelity-Phœnix for Illinois, has retired from active service. He has been president of the Illinois State Board of Fire Underwriters and in 1906 was president of the Fire Underwriters' Association of the Northwest.

Mr. Wilbur S. Tupper, former president of the Pioneer Life, of Kansas City, and now vice president of the Toledo Life of Ohio, has sued the Pioneer Life for $75,000 for breach of contract. He was ousted from the presidency at the recent annual meeting of the company.

Mr. Charles B. Reiter has been elected secretary of the Allemannia Fire of Pittsburgh, to succeed the late Charles P. Kellerman. Mr. Reiter has been in the fire insurance business since 1873 and assistant secretary of the Allemania since 1904.

Mr. Henry L. Burns, of the New York brokerage firm of John F. Hinds & Son, was stricken with apoplexy while at his office April 13 and died at his home in Hackensack, N. J., shortly afterward, aged 77 years.

Hon. Daniel F. Mooney, the former Ohio State Senator who was chairman of the Ohio legislative fire insurance probe last year, has been appointed United States Ambassador to Paraguay.

Mr. W. J. Gregory, a well-known fire insurance adjuster at Atlanta, died from neuralgia of the heart in a Pullman car at Birmingham, Ala., whither he had gone to adjust a loss on April 6.

Mr. Harvey S. Dale, the Chicago manager for the Union Mutual Life, is seriously ill from a stroke of paralysis. He has been general agent for the company nearly twenty-five years.

Assistant Manager Edward R. Hardy, of the New York Fire Insurance Exchange addressed the Hartford Board of Trade on Tuesday on the subject of the fire waste.

Mr. Joshua W. Shipley, of Piquia, Ohio, district manager for the Mutual Life of New York, died at Columbus, Ohio, April 3, following an operation at a hospital.

Mr. H. L. Paddock has been appointed manager of the liability department of the Travelers at Cleveland, succeeding Floyd M. Dull, who was sent to the New York office.

Mr. George W. Smith, a Brooklyn insurance broker, and general local agent for the New York Life, died suddenly on April 13, of heart disease, aged 46 years.

Mr. John Watson has been appointed manager of the burglary department of the New England Casualty at New York, succeeding J. Frank Anderson, resigned.

Mr. William Panushka, an examiner in the Western department of the German American at Chicago, died there April 13, aged 67 years.

Mr. W. B. B. Smith, vice president and treasurer of the National Surety, has retired from the company to enter another line of business.

Mr. Harry W. Crandall, of Minneapolis, special agent for the Northern of New York for Minnesota, died April 2, after a brief illness.

Mr. Simon Sturm, local agent at Cincinnati for many years, died there April 5. He retired from active service a few years ago.

Mr. George A. Somerville, general manager of the Manufacturers Life of Toronto, died there April 4, aged 59 years.

Mr. Henry W. Crandall, special agent of the Northern of New York, is dead at Merriam Park, Minn.

Mr. J. A. H. Baird, special agent of the Hamburg-Bremen on the Pacific Coast, has resigned.

Mr. B. J. Alley, of Peoria, Ill., has been elected secretary of the Fitchburg Mutual Fire.

Miscellany.

Mutual Workmen's Compensation Insurance.

Journal of Commerce.

The anxiety of some of the would-be managers of prospective workmen's compensation mutual insurance companies to secure for themselves well-paid jobs is inducing them to make extravagant statements and promises to possible policyholders in their yet unformed mutual company. An instance of this disposition to promise everything without regard to ability to fulfill such promises occurred this week at a hearing before a number of members of a certain trade who had been called together to hear the advantages of mutual insurance, and particularly as to the opportunities it afforded in connection with workmen's compensation.

The prospective manager of the proposed mutual told those present at the meeting that his company had pledges of insurance against workmen's compensation risks which would result in premiums aggregating $3,000,000 the first year. He said the cost of management would be 12 per cent. of the premiums received, and he made the absolute promise that 50 per cent. of the premiums would be returned to the policyholders in the form of dividends. How this could be achieved he resented any attempt to question, and became indignant when it was suggested that as the New York Insurance Department, which has the approval of rates under its jurisdiction, was known to contemplate the approval of rates for compensation, insurance which would result in a loss ratio of 65 to 70 per cent. of the premium, that it therefore might be difficult to pay that 50 per cent. dividend in addition to the 12 per cent. managerial cost.

A notable feature of the meeting referred to was that prior to opening the discussion on the beauties of mutual insurance those who had called the meeting in the interest of the particular prospective mutual, sent emissaries through the room and ejected all insurance and newspaper men who were present. There were many other statements made by the mutual promoters during the meeting which were equally ridiculous when considered alongside of the actual facts. The mutual advocates frequently refer to the success of the senior factory mutuals in the fire business as a guarantee that their schemes are "bonanzas." Possibly they are for the managers. In using the name and success of the senior factory mutuals in their argument they, however, forget to state in connection with the large percentage of the premium returned by these companies to their policyholders that these well-managed companies rigidly insist upon an extremely high standard of physical condition, often insisting that the assured make extensive protective improvements not infrequently costing several times the annual premium, before they will accept the risk. Many of the promoters of prospective compensation insurance mutuals have no plans for the selection of risks other than those who can pay a premium, and possibly future assessments, although their interest in assessments may be curtailed if their managerial contract of 12 per cent. does not include assessments in its operation.

Is Insurance Gambling?

The London Mutual Provident Messenger.

Quite worthy people, representative very often of the best classes of the community, so far as education is concerned, sometimes allege that insurance is a form of gambling. Now, the dictionary defines the word gamble as "to play or game for money," "to play for money in games of chance," and therefore suggests the throwing of dice, tossing of coins, the roulette table and other similar means of hazarding money on uncertain events.

Without entering into a discussion of the means whereby the relatively harmless amusement of tossing a halfpenny may be made the means of quite frantic gambling, it may be pointed out that the hazarding of the same sum of money on each toss of the coin will leave neither party any better off if the coin be a true one and the tossing be performed a very large number of times. Similarly, as double numbers will turn up on the average once in every six throws of two dice, A might agree to forfeit to B the sum of 5s. on double numbers turning up if B would pay him 1s. each throw doubles were not in evidence. Again neither party would gain any advantage if the throws made were sufficiently numerous.

Now both the operations described above would come under

Digitized by Google

the definition of gambling quoted, but would hardly be accepted popularly as gambling, since neither player is going to obtain any advantage over the other. This suggests a practical modification of the definition to make it clear that as a result of the gaming one player must obtain an advantage over the other, either by a limitation of the number of the games to be played or by the choice of unfair odds (as an instance of the latter, take the betting market on a horse race in which the odds are so fixed that whatever individual gamesters may win, the bookmaker will still make a profit).

Now all insurance companies take steps to secure a large number of risks, so that one condition required for gambling is absent from insurance contracts. Again, they only collect premiums estimated as closely as possible to cover the cost of insuring the risk with something over for the expense of running the business—in other words, they are practically in the position of A in the games of dice mentioned above. But it will be argued that so far as the policyholder is concerned insurance is gambling, and here perhaps the critic is on apparently surer ground, for the policyholder is an individual only. That is true, but be it remembered the odds (or rather the premiums charged) are as fair as science and skill can devise, and all companies are concerned to see that the policyholder secures no advantage over them (or rather the other policyholders) by the presentation of unsound or undesirable risks.

Putting all this aside, however, the proper way of regarding insurance from the standpoint of the individual is the mitigation of loss sustained on account of an unexpected misfortune. It might suit an exceedingly wealthy man to effect no fire insurance at all, but he would have to be prepared to face an annual loss by fire, which would be steady or the reverse, according as the risks were well separated or close together. The man owning one house (say) is in a different position—he may lose all or none, and it is this uncertainty which leads him to join with others in forming an insurance fund out of which losses may be met, so that no one person shall be subject to severe and crippling loss.

Again, the members of a life assurance society are banded together for mutual protection against times of dire adversity, and although one set of persons may seem to gain advantages through the settlement of premature death claims, yet the payment of these claims is the very object for which the policies have been effected, and all the while the companies continue to exercise proper care in the admission of risks there can be no gambling on the part of the individual. If it were not for life assurance the calls on the charitable, by no means infrequent even now, would be considerably more numerous and urgent.

The word gambling ought never to be associated with insurance, since the prime object of all insurance is the spreading of losses, which, to the individual, would spell disaster, over a large number who practically do not miss their small individual contributions to the loss.

Insurance Legislation.

Massachusetts.

BOSTON, April 16.—Engrossed by the Senate:

House Bill 2298, authorizing insurance against the explosion of tanks.

Engrossed by the House:

House Bill 2347, presuming due care on the part of all plaintiffs in damage actions for personal injuries.

New Jersey.

TRENTON, April 16.—The committee substitute for House Bill 581, which would have established a system of examinations for insurance agents, has been vetoed by Governor Fielder. The governor has signed House Bill 17, to provide for safety devices to prevent blood poisoning and other occupational diseases.

New York.

ALBANY, April 16.—Governor Glynn has signed the following bills:

Senate Bill 1318, amending the workmen's compensation law generally.

Senate Bill 1244, prohibiting mercantile establishments from compelling their employees to contribute to benefit or insurance funds.

Senate Bill 1174 (Foley), to amend the lien law relative to justification of sureties, by providing that where a certificate of insolvency has been issued by the superintendent of insurance, no justification or notice thereof shall be necessary.

Senate Bill 541 (White), authorizing the State comptroller to revise and settle tax accounts for 1912 of insurance corporations which paid their annual franchise taxes for that year prior to the taking effect of Chapter 357, Laws of 1913.

Rhode Island.

PROVIDENCE, April 16.—A resolution has been introduced in the House providing for final adjournment of the Legislature on Friday, April 24.

The Connecticut Mutual Life Insurance Company
President JOHN M. TAYLOR, Hartford, Ct.
Insurance in force, 91663 Policies for $218,304,660
WHAT NO OTHER COMPANY HAS DONE
To repay to its Policy-holders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums
It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1913	$287,442,080.61
Total returned to Policy-holders, as above noted, in same period	296,862,956.74
Excess of amount returned	9,420,876.13

Do you know that
Security Mutual Life Insurance Company
BINGHAMTON, N. Y.
FREDRIC W. JENKINS, President
has GOOD THINGS to offer GOOD MEN. If not, learn about them by addressing for particulars
C. H. JACKSON, Supt. of Agencies

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Postpaid $4.00
By EVERETT U. CROSBY and HENRY A. FISKE
A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10
By A. M. SCHOEN
Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10
By W. D. MATTHEWS
What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00
By WILLIAM ARTHUR
This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company
Incorporated
P. O. Box 617 LOUISVILLE, KY.

Digitized by Google

Fifty

Workmen's Compensation Acts!

Twenty-six Laws in the United States!
Twenty-four Laws in Europe, Canada and Mexico!
Digested and Compared in

The Insurance Almanac for 1914

SOON READY

Company Information (covering all kinds of insurance).
- Officers, Directors, Territory covered, and Lines Written.
- Statistics for 1914.
- Life, Fire and Miscellaneous Companies.
- Lloyds, Inter-Insurers, Underwriters' Agencies, Etc.
- New Companies and those which ceased business in 1914.

Associations of Underwriters (National, State and Local).
- Who's Who, What they are, where and when they meet.
- Companies belonging to Unions and Bureaus, and other Associations.

The State—Legal Information, Etc.
- Governors, Insurance Department Officials, Etc.
- Congress and the Legislatures.
- Dates of forthcoming Legislative Sessions.
- New Laws enacted by the last Legislatures.
- Statutory Requirements in the different States.
- States having particular laws—Anti-Compact, Standard Policy, Etc.
- Fire Marshals, Salvage Corps, Fire Prevention Associations, Etc.

ALL YOURS FOR ONE DOLLAR!

$..... .....19..

THE WEEKLY UNDERWRITER

EIGHTY MAIDEN LANE, NEW YORK, N. Y.

Is hereby authorized to send.....cop.....of THE INSURANCE ALMANAC for 1914, for which we agree to pay.....dollars on delivery.

	PRICE
$1.00	Per Copy
$10.00	Per Dozen
$75.00	Per Hundred
$500.00	Per Thousand

....

....

Digitized by Google

Fifth Volume of Live Articles on

SPECIAL HAZARDS

Now Ready

CONTENTS OF VOLUME V

The Inspector and the Insured.....by F. M. Griswold, N. Y.
Liquors and Liquor Risks (Illustrated).....by William J. Tallamy, N. Y.
Varnish Factories (Illustrated).....by F. E. Roberts, Toronto, Can.
Embroidery Works (Illustrated).....by Walter O. Lincoln, N. Y.
Button Factories (Illustrated).....by William J. Tallamy, N. Y.
Artificial Leather Manufacture.....by C. B. Mackinney, Providence, R. I.
Cork Factories (Illustrated).....by Charles C. Dominge, N. Y.
Artificial Flowers and Feathers (Illustrated).....by Walter O. Lincoln, N. Y.
Refrigeration (Illustrated).....by William J. Tallamy, N. Y.
How to Read and Criticize Plans.....by Charles C. Dominge, N. Y.
Gas Works (Illustrated).....by Stephen L. Burgher, Boston, Mass.

TABLES OF CONTENTS OF PRECEDING VOLUMES

VOLUME I.
Cotton Mills.
Clothing Factories.
Soap Factories.
Metal Workers.
Paint and Varnish Factories.
Brickyards.
Patent and Enameled Leather.
Candy Factories.
Breweries.
Fur Industry.
Storage Warehouses.
Theatres.
Tobacco Factories.

VOLUME II.
Tobacco Industry.
Flour Mills.
Cabinet Factories.
Garages.
Fireproof Buildings.
Sugar Refineries.
Paper Mills.
Hotels.
Hat Factories.
Printing and Allied Trades.

VOLUME III.
Tanneries.
Woolen Mills.
Shoe Factories.
Rubber Factories.
Piano Factories.
Celluloid Manufacture.
Automobiles.
Laundries.
Forms, Company's Standpoint.
Forms, Brokers' Standpoint.
Organization of Insurance Companies.
Oils, Fats and Fires.
Wood Distillation.

VOLUME IV.
Use and Occupancy Insurance (Two articles).
Paper Box Factories.
Storage of Newspaper Stock.
Oils and Volatile Solvents.
Paint Factories.
Grease, Oil, Paint and Tar Fires.
Paint Industry.
Rubber Reclaiming Industry.
Ladies' Collar Supporters.
Woodworking Plants.
Toy Manufacture.
Shingle Mills.
Cooperage Industry.
Celluloid Dangers.
Iron Galvanizinig Plants.
Common Electrical Hazards.
Electric Car Houses.
Dry Goods Stores.
Sprinkler Efficiency.

Volumes 3, 4 and 5 are fully illustrated

PRICES, SINGLE VOLUMES, $1.05. PER DOZEN, $10.00

COMPLETE SETS (5 volumes, $5.00). THREE SETS FOR $12.00

THE WEEKLY UNDERWRITER.
80 Maiden Lane, New York, N. Y.

Please send to the address below, ... cop..... each of Volumes.....
LIVE ARTICLES ON SPECIAL HAZARDS, for which ..... agree to pay..... dollars on delivery.

PRICE

1 copy	$1.05
5 copies	5.00
12 copies	10.00
15 copies	12.00
100 copies	75.00

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature
W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

"An agent is known by the companies he keeps"

CONTINENTAL INSURANCE COMPANY OF NEW YORK

The best company for a policy-holder is the best company for an agent.

HENRY EVANS, *President*

HOME OFFICE
80 MAIDEN LANE, NEW YORK

WESTERN OFFICE
332 SO. LA SALLE ST., CHICAGO

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

THE
WILLIAM H. KENZEL
COMPANY
23 Liberty Street, New York

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

"WHAT THE EQUITABLE OFFERS"

What the Equitable Offers is the title of a booklet listing in detail the many attractions and advantages of Equitable policy contracts.

While intended for the prospective insurer, it will interest any insurance salesman who is curious to know why Equitable policies sell readily, renew steadfastly and meet every conceivable need of all classes of insurers. A copy will be sent to any address on request.

The Equitable Life Assurance Society

of the United States

165 Broadway, New York

W. A. DAY, President

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Postpaid **$4.00**

By EVERETT U. CROSBY and HENRY A. FISKE

A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10

By A. M. SCHOEN

Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10

By W. D. MATTHEWS

What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00

By WILLIAM ARTHUR

This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company

Incorporated

P. O. Box 617 LOUISVILLE, KY.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$5,000,000.00
Cash Assets	22,481,250.34
Total Liabilities	10,571,860.45
Net Surplus	6,909,389.89
Surplus for Policyholders	11,909,389.89
Losses Paid in 95 Years	138,501,348.36

WM. B. CLARK, President.

Vice Presidents:
HENRY E. REES, A. N. WILLIAMS,
E. J. SLOAN, Secretary.

E. S. ALLEN, GUY E. BEARDSLEY, RALPH B. IVES, W. F. WHITTELSEY, JR., } Assistant Secretaries

WESTERN BRANCH, 175 W. Jackson Boulevard, Chicago, Ill.
THOS. E. GALLAGHER, Gen'l Agt.
L. O. KOHTZ, Asst. Gen'l Agt. and Marine Gen'l Agt.

PACIFIC BRANCH, 301 California St., San Francisco, Cal.
WM. H. BREEDING, Gen'l Agent.
E. S. LIVINGSTON, Asst. Gen'l Agent.

MARINE DEPARTMENT:
CHICAGO, 175 W. Jackson Boulevard. NEW YORK, 63-65 Beaver St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.
SAN FRANCISCO: 301 California Street

Company's Office Building.

Prevent Losses

by using our special short form bond, which guarantees absolute protection against dishonesty, either directly or through connivance with others.

This bond is issued in Individual or Schedule Form and covers Officers, Employees and Field Force. Write for a copy and our Special Proposition for Insurance Companies.

American Surety Company

OF NEW YORK

Home Office: 100 Broadway, New York

The Largest Surety Company in the World

Branch Offices at Larger Cities: Over 11,000 Agencies Elsewhere

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MAY 2, 1914. No. 18.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

E. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

THE retirement of Mr. Willard Done from among the official state supervisors of insurance, will occasion the same regret among all interested in the welfare of insurance as did similar action recently by Mr. Emmet of New York. Mr. Done has been insurance commissioner of Utah since 1909, and during his early five years administration has exhibited a conception of the duties of his office which have won for him the approval of constituents, underwriters and associates alike. Appreciation by the latter was shown by their potential choice of him as the next president of their association. He has been capable, sensible and industrious. There is compensation in the knowledge that Mr. Done is not to be lost to insurance, for as chief of the new Department of Publicity, Conservation and Legislation of the Fire Underwriters' Association of the Pacific he will have the opportunity to put into more extended operation those ideas of popular education about the signification and methods of insurance, which have been introduced in his own State on a necessarily limited scale. Mr. Done's usefulness will become speedily apparent in whatever he undertakes. He has had training, too, as a school teacher, insurance agent, Governor's secretary and member of the Legislature, as well as State official. That is a very American kind of training.

WE PRINT in this issue the text of the two decisions—majority and minority—of the United States Supreme Court in the Kansas State fire insurance rating case, omitting only such parts as summarize the briefs of counsel and recite at length the other cases bearing on the arguments of the court. It will be seen that neither of the parties to the decision deny the right of the State to regulate terms upon which other State corporations may do business within their respective jurisdictions and that the failure to agree grows out of divergent views of the nature of the fire insurance contract, one holding it to be a public and the other a private contract, so far as rates are concerned. The effect of the majority opinion will doubtless be to encourage the political oral contents to make more trouble for the insurance companies, but—as we have said—the companies have the power of retaliation. We notice that a few commentators, both editorial and individual, express the belief that the action of the Supreme Court will bring about Federal supervision of insurance. It is difficult to understand how a decision which confirms the States in their right of control over foreign corporations will induce them to abandon the right. An amendment to the Constitution of the United States which will take away State supremacy must receive the approval of the Legislature of three-fourths of the States to become effective. We suspect that State legislators will not be thus disinterested and great-souled in sufficient numbers. It is true that insurance companies might threaten to withdraw from the States which refuse to surrender to Federal supervision, but, again, we are in doubt if they would go to that length if business paid profitably. So it looks as if Federal supervision must wait on a change of heart in the Supreme Court, and in the meantime the companies must deal directly with the States and apply the screws to them when they misbehave.

THE New York State Insurance Department has made public this week the official report of an examination of the Metropolitan Life Insurance Company, as of December 31, 1912. The vastness of the company's machinery and operations is evidenced by the fact that it has taken the department examiners and clerks several months to prepare the report. Mr. Emmet, as superintendent of insurance at the time of the completion of the report, shows his comprehension of the importance of the examination by some preliminary observations, which we reprint in full, in which he speaks of the result as giving the highest evidence of "efficient and enlightened business management—with, in some cases, a dash of statesmanship thrown in." He also alludes to the condition, which is not generally understood, that the great Metropolitan is governed by the combined mandate of its stockholders and policyholders for the latter whose policies have been a year or more in force have the right to vote for directors, and this in Mr. Emmet's opinion constitutes "at least a substantial recognition of the theoretical advantages of the mutual idea, without at the same time involving a complete abandonment of those fundamental virtues which reside in the system of stock ownership." And the effects of such a plan of organization he outlines in these strong words which follow:

> The administrative officers of the company whose directors are chosen in the manner I have mentioned, seem to me not to have approached their task with any bias in favor of stockholders as against policyholders, or the reverse—as might very well have been the case if one or the other of these elements had been in complete control of the company. Rather, they have shown a desire to harmonize the interests of both elements for the general good of the organization. In this they have been very successful. They have so increased the assets of the company as to make these equal the resources of many states and even nations. They have

Digitized by Google

at the same time steadily cheapened the cost of insurance to policyholders, both by direct means and by the distribution of bonuses. They have extended the company's business to such an extent as to bring it into contact now with approximately one-eighth of the population of the entire United States. That this notable growth has involved no sacrifice of efficiency in the handling of administrative details, but, on the contrary, has been the direct result of constantly increasing efficiency, is shown by the comparatively small losses sustained by the company in proportion to the large investments made, by the high earning power of the company's securities, and by the steady decrease which has been taking place in the percentage of managerial expenses to the company's premium income.

To its direct insurance work must be added its projects of social betterment, like the establishment of its tuberculosis sanitorium, its distribution on a colossal scale of sanitary educational literature and the nursing service maintained for its policyholders. At the recent annual meeting of the association of agents of this company, the speakers paid tribute to them as "builders-up" of this huge institution for the good of mankind. This force was potential indeed in accomplishing the result, but it needed, as it received, the genius of a Hegeman to conceive and the potency of a Fiske to direct the possibilities which were necessary to the achievement. The Metropolitan Life Insurance Company has assets of over four hundred million dollars and insurance of over one thousand eight hundred million dollars in force, and this development has taken practically but twenty-five years.

Fire Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

May 5-7—National Fire Protection Association at Chicago, Ill.

May 18—Committee on blanks, National Convention of Insurance Commissioners at Hotel Manhattan, New York City.

May 19-20—National Association of Manufacturers at Waldorf-Astoria, New York City.

May 28—National Board of Fire Underwriters at Waldorf-Astoria, New York City.

May 28-29—New York State Association of Local Fire Insurance Agents at Rochester, N. Y.

June—Insurance Institute of America at Philadelphia.

June 3—South-Eastern Underwriters' Association at White Sulphur Springs, West Virginia.

June 10—Executive committee, committee on blanks, committee on fire insurance rates and regulation, and committee on standard fire policies of the National Convention of Insurance Commissioners at Hotel Astor, New York City.

June 24-25—Ohio Farmers Western Department Agency convention at Delevan Lake, Wis.

August 18-21—National Association of Insurance Agents at Minneapolis, Minn.

September 11-12—Fire Marshal's Association of North America at Asheville, N. C.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16—Western Union at Hotel Traymore, Atlantic City, N. J.

September 22-24—National Association of Mutual Insurance Companies and Associations, at Virginia Hotel, Columbus, O.

October 7-8—Fire Underwriters' Association of the Northwest at Chicago.

October 20-23—International Association of Fire Engineers at Hotel Grunewald, New Orleans, La.

The **latest news from Kentucky** comes by way of Chicago, a dispatch stating that since it has been charged that politics interfered with a settlement of the fire insurance situation, negotiations are to be opened for another conference. The dispatch adds that "it is said on excellent authority that a compromise will be reached." Knowing, as the Kentucky folks do, the attitude of the fire insurance companies, the statement quoted is bosh or the State authorities have decided to do the square thing. Application has been made to the court in one bankruptcy proceeding for permission to move the assets of the concern to Ohio, owing to the receiver being unable to procure fire insurance protection of any kind.

In the course of an address before the Toronto Institute recently the speaker, J. Grove Smith, presented an elaborate collection of **world-wide fire insurance statistics.** He showed that 1,668 fire insurance companies were doing business in 1912. They had capital aggregating $312,818,000, with additional assets of $1,723,700,000. The net premiums received were $786,000,000 and the net losses paid were $423,678,000. An interesting comparison was afforded between the British and American companies. The British companies numbered 141, with $83,780,000 of capital and $864,145,000 additional assets. They received $154,860,000 in premiums and paid $78,850,000 in losses. The United States stock companies numbered 241, with capital of $96,944,000 and additional assets of $521,161,800. They received premiums amounting to $226,818,000 and paid losses amounting to $122,524,000. The premium receipts of the 280 mutuals were $37,330,000 and their loss payments were $11,476,000, while the 26 United States Lloyds received premiums of $4,157,000 and paid $1,991,000 in losses. In commenting on the figures presented, Mr. Smith said:

This statement is no fancied conglomeration of figures; they are startlingly true, and surely testify in language that cannot be misunderstood to the fact that the development of fire insurance to its present standing as one of the prime factors of the world's commercial life, has been phenomenal. The figures are so large as to be almost meaningless, even to business men, for who can adequately comprehend what one billion seven hundred and twenty-three millions of dollars in assets really mean?

If we will but deliberately set ourselves to the gathering of a due sense of the importance of the business, we shall the better be able to stem the tide of deplorable and almost inexcusable ignorance with which it is generally regarded. For to-day fire insurance has become so indissolubly interwoven with the warp and woof of the commercial life of the world, that the disorganization and chaos which would inevitably follow its termination is unthinkable.

The **resignation of President James L. Cunningham** from the active management of the Glens Falls was announced this week. The directors of the company have elected Russell A. Little as his successor. Mr. Little is a son of the late R. M. Little, founder of the company, and has been connected with the company forty-one years, serving as field man, secretary and vice president. Secretary E. W. West, who has been with the company forty years in various capacities, has been promoted to be vice president, and Assistant Secretary H. N. Dickinson was made secretary. The retirement of Mr. Cunningham will not mean his severance with the company, as he will continue to give unofficial attention to its affairs, but as his letter of resignation says, he desires "to retire of my own volition before I may be compelled to by the vicissitudes incident to living on 'borrowed time.'" Mr. Cunningham has just passed his seventy-fourth birthday and has completed forty-seven years of service with the company. He has been one of the strong forces in fire insurance, and it is sincerely hoped that the business may continue to have the benefit of his counsel and influence for many years.

A handsome **testimonial** was presented **to J. H. and A. R. Stoddart** this week by forty-seven special agents of the New York Underwriters Agency. It was in commemoration of the fiftieth anniversary of the establishment of the agency, and consisted of two beautiful engraved silver centerpieces, accompanied by the following engraved letter, signed by all the donors:

To John H. Stoddart and Alexander R. Stoddart:

The fiftieth anniversary of the birth of the New York Underwriters Agency affords a welcome opportunity for your field men to express the high esteem in which they hold you.

Veteran and novices alike, we testify to unvarying justice and most generous consideration at your hands.

Our work has been lightened by the knowledge that, regardless of re-

Digitized by Google

sults, honest endeavor would be recognized as such; that full credit would be given for such success as we might be able to achieve.

We all appreciate fully the high plane upon which you desire that our business shall be conducted, and count it a distinguished privilege to be associated with those in authority who never require from us an act involving, even remotely, a loss of self respect.

We wish you much success and much happiness, in this anniversary year and in the years to come, and to that end we pledge our best efforts.

The engineers of the National Board of Fire Underwriters make the following report on the **conflagration hazards at Wilmington, Del.:**

Buildings in the principal mercantile district are mainly small or moderate in size and height, but nearly all are of light and weak joisted construction with hazards unguarded. Much of the district is congested, streets are narrow and high winds frequent. Some of the congested blocks are narrow with fire walls running across them, but others are subject to serious fires. The water supply is inadequate in a large part of the district, the fire department inefficient and not equipped for fighting severe fires, the fire alarm system unreliable and overhead wire obstructions are serious. Fires beyond control of the department and involving groups or blocks of buildings are probable, but the mainly moderate size of buildings and the occasional fire walls should prevent any fire from involving the entire district. Minor mercantile districts are of similar construction and subject to group fires. Manufacturing plants are generally sprinklered and isolated or in small groups, not liable to conflagration. Residential sections are composed of blocks of small brick dwellings, in which only group fires are probable.

The **Western Union** has appointed the following governing committee, which is also to be the conference committee: J. W. Cochran, Fire Association; George E. Haas, Atlas; C. H. Higley, Hanover; C. A. Ludlum, Home; A. W. Perry, St. Paul Fire and Marine; W. L. Steele, Niagara; C. H. Barry, Pennsylvania; W. H. Sage, German American; C. R. Tuttle, Continental. The committee elects its own chairman. P. D. McGregor succeeds the late Conrad Witkowsky as chairman of the membership committee. C. H. Barry succeeds W. L. Steele as chairman of the central bureau of education and instruction committee. New committees were appointed as follows: Consequential damages, George M. Lovejoy, chairman; A. F. Dean, W. N. Johnson, E. G. Richards and W. L. Steele; revision of rules, C. R. Street, chairman; Dugan & Carr, P. T. Kelsey.

A lively hearing was conducted at the City Hall on Tuesday by the New York State Factory Commission, at which the **fire hazards of mercantile risks** in this city were discussed. Miss Frances Perkins, an investigator for the commission, reported that in many department stores a serious fire hazard exists, which should be corrected. Fire Chief Croker corroborated this, but disagreed with her on the degree of danger, saying that the stores have efficient organizations and a careful system of inspections. He laid stress on the danger from improper electrical installations, and also pointed out the need of the standardization of fire prevention laws. In this all the witnesses agreed. The installation of automatic sprinklers was urged by Miss Perkins in no less than twenty-three department stores.

In a recent article on **automatic sprinklers** Fire Commissioner Robert Adamson goes at length into the subject, pointing out how the development of modern underwriting has operated to practically eliminate even the initial cost of installation. As a conclusion, he says:

As it has been made quite clear that the cost of sprinkler equipments does not fall as a hardship upon owners, but can be recuperated from decreased fire insurance rates, and that even the initial outlay need not be incurred, there is no earthly excuse why all firms requiring them should not install these equipments. One thing is certain; I intend to exert my utmost endeavor to see that sprinkler orders are complied with from now on. And, furthermore, where fires occur after Fire Department orders for sprinklers have been served—provided the orders have not been complied with within reasonable time—I shall endeavor to recover damages for the evident neglect. Where loss of life follows, it seems to me that the authorities could be invoked to bring even more serious charges than ordinary neglect.

The latest issue of *Northwest Insurance* brings some interesting information on the **legislative possibilities in Minnesota** the coming season. The paper says:

We understand that when the next Minnesota Legislature convenes the first of next year, there are to be a number of State insurance bills to be introduced. That there will be one for State Workmen's Compensation Insurance, another for extension of State Fire Insurance of State Property to General State Fire Insurance, and further efforts for establishment of State Life Insurance.

It does not seem probable that any of these will pass, although it is, of course, very problematical to make any predictions even before the next legislature is elected. Commissioner Preus has already openly stated he will favor introduction and passage of a bill for State Supervision of Rates by a State Board of Appeals. The indications are that the session will be one of "busy days" for one and all interested in the various lines of insurance.

The **accountancy branch** of the Insurance Society of New York, which has become a large and enthusiastic subdivision of the society, held an enjoyable **dinner** at the Underwriters' Club on Tuesday evening, at which some seventy-five members were present. There were two notable addresses, one by Leon Brummer, instructor in accountancy at the New York University School of Commerce, who discussed the scientific side of accounting in a most enlightening manner, and one by Harold A. Holmes, editor of *Caxton,* who gave a good address on "Earning a Living." The accountancy branch deserves congratulations on account of its enthusiasm and loyalty.

A special report by Superintendent F. J. T. Stewart, of the New York Board of Fire Underwriters, on the **Edison film factory fire** in the Bronx, gives the following conclusions:

Large quantities of inflammable property, scenery, etc., should be stored in detached buildings or fireproof storerooms, cut off by fire walls and side doors. Effective work in fire fighting prevented the spread of fire from the section of the building in which it started. It should have been cut off, however, by fire walls and fire doors from the balance of the building. Systems of automatic sprinklers with supply only by city steamer connection are but moderately effective because there is no water in them at the start of the fire. In the present case the basement equipment, if provided with an automatic water supply, would probably have extinguished the fire or held it to a small area.

The form of **fire insurance policy used in Mexico** has the following clause for the protection of the companies in time of uprising and war:

This insurance does not cover: (*a*) Loss or damage occasioned by or through or in consequence of invasion, act of foreign enemy, riot, civil commotion, rebellion, insurrection, military or usurped power or martial law.

In the case that the assured shall formulate any claim whatever for loss or damage in virtue of this policy, he shall prove to the satisfaction of the company (if the company shall so require) that the loss or damage does not fall within any of the aforesaid exceptions; and in default of such proof the company shall not be responsible, totally or partially, for such loss or damage.

The creation of a **board of appeals,** with the power to review fire insurance rates in Minnesota, is advocated by Insurance Commissioner Preus, and he has been making speeches before various commercial bodies in the State in favor of the proposition. While the commissioner is not a partizan of State insurance rating, he does believe that there should be some tribunal to which a dissatisfied policyholder may go and make his complaint, and perhaps be convinced that his rate is right. The board should have the power to summon witnesses and its decisions be subject to review by the courts.

Action on a **proposition to suspend business in Kansas** generally is being delayed until after the decision of the Kansas Supreme Court on the suit of the companies which seek to set aside the reductions in rates ordered by the insurance department several years ago. The case has been advanced on the

Digitized by Google

calendar and will be heard June 4. Some of the companies left the State when the law was passed, and others have withdrawn on account of unprofitable experience. The others have been continuing, hoping that the law would be declared unconstitutional.

The **Western Insurance Bureau** has announced its new committees for the ensuing year. The executive committee, which will also be the conference committee, has been enlarged, and includes the following: E. G. Halle, Germania; Charles E. Sheldon, American of Newark; A. D. Baker, Michigan Commercial; Walter Williams, Security; Neal Bassett, Firemen's of Newark; N. J. Schrup, Dubuque Fire and Marine; G. W. Gerwig, Teutonia; Benjamin Auerbach; W. M. Patton, Northwestern National.

Considerable attention has been paid of late to **conditions in New England,** much criticism being made of losses in Boston, Providence and other cities. Loss experiences have been bad and in one case the work of the Boston fire department is strongly criticized. Rerating of several places is suggested. A bill to improve conditions in Boston has been introduced by Mayor Curley in the Massachusetts legislature. Four miles of high-pressure mains are to be laid in Boston this summer.

The **Western Factory Association** has elected the following officers for the ensuing year: President, Walter H. Sage, German-American; vice president, Charles H. Barry, Pennsylvania; secretary and treasurer, C. R. Street, Fidelity-Phenix; executive committee, W. L. Steele, Niagara, and C. R. Tuttle, Continental. Matters relating to competition, both within and outside the organization, were discussed and a committee of five was named to consider them.

The Scotland Yard detectives have **located Thomas A. Reid,** the cashier who disappeared from the employ of Chubb & Son in March, 1913, and in whose accounts a shortage of over $90,000 was found. He had procured the funds through forged endorsements to checks to the order of customers of the firm. It is expected he will be brought back for trial under indictments that have been returned.

Among the men **on the special jury panel** for the trial of Charles Becker are Clarence Axman, of the *Eastern Underwriter,* and Charles C. Bostwick, George G. Brainerd, John B. MacDonald, Henry A. Riker, George Schlessinger, Walter R. Shaw, all of whom give their occupations as insurance men. George H. Holden is also on the list, but he is a bird importer in West Eighty-third Street.

A **meeting of the executive committee** of the New York chapter of the National Fire Protection Association was held this week at the Drug and Chemical Club, at which plans for the meeting on June 2 and the October meeting were discussed. Those attending were President Rudolph P. Miller, W. P. Young, D. E. Waid, J. H. P. Perry, Dana Pierce, Fire Chief Kenlon and E. R. Hardy.

The vacancy caused by the resignation of Charles A. Ellison as **State fire marshal of West Virginia** has been filled by the appointment of John S. Horan, a practising attorney of Montgomery, W. Va., effective May 1. In retiring, Mr. Ellison expressed the belief that a lawyer would be better able to cope with the many questions arising in connection with the administration of the office.

The London and Lancashire Life and General has decided to enter the United States, with E. E. Hall & Co. as general managers. It will deposit $200,000 with the New York insurance department and will place $300,000 more with the United States trustees. Agencies will be placed in the better cities for high-grade business only.

The Panama Pacific Exposition is urging that the **1915 meetings** of the National Fire Protection Association and the American Water Works Association be held at San Francisco in connection with the World's Insurance Congress. It proposes a joint meeting of all associations interested in fire prevention and fire protection.

The **resignation of the Hon. Willard Done** as insurance commissioner of Utah has been announced. Mr. Done will leave Salt Lake City on June 30 to become head of a new department of the Pacific Board of Fire Underwriters, which will be devoted to publicity, conservation and legislation. He will have his office in San Francisco.

The New York Fire College has adopted a system of notices to outsiders attending it for instruction that the city of New York **will not assume responsibility for any injuries** that they may suffer while learning how the local firemen do their stunts. This is due to the workmen's compensation law, soon to go into effect.

Reports of reinspections in a number of cities in New York and New England by the engineers of the National Board of Underwriters in several of the cities shows that, aside from the display of **good intentions,** little has been done to comply with the recommendation of the original inspection reports.

In an address to the Jovian Order this week Fire Commissioner Adamson said that the city would soon have to rebuild its fire alarm system and put its **wires underground,** citing the experiences during the snow storms this winter, when it took seventeen days to restore the system to working order.

At the fourth annual meeting of the **Washington State Association of Local Fire Insurance Agents,** held at Seattle, April 10, the following officers were elected: E. B. Shettlin, of Seattle, president; T. K. Binne, of Spokane, vice president; R. E. Mahaffay, of Tacoma, secretary-treasurer.

The **City of New York** has appointed Leon Irwin & Co., of New Orleans, general agents for the State of Louisiana. The firm also represents the Hamburg-Bremen, the Insurance Company of the State of Pennsylvania and the American Underwriters' Agency of Philadelphia.

At Cleveland, Ohio, the **Ohio Commonwealth Fire** insurance company is in process of organization, with an authorized capital of $100,000. Elmer E. Ganby, a banker at Fort Wayne, Ind., will be president, and the expectation is to begin business about August 1.

Another underwriter at Lloyds, London, Clarence Weston, has been adjudicated a **bankrupt** in the English bankruptcy courts. The petition gives "high rates of interest, injudicious financial enterprises and living beyond his means" as the causes of failure.

The **Anglo-American Fire of Chicago** has elected Willis S. Herrick, of Herrick & Hobbs, president, to succeed J. B. Hobbs,

(*Continued on page 376*)

Digitized by Google

NEW ENGLAND CONGRESS OF LIFE UNDERWRITERS' ASSOCIATIONS.

Proceedings of First Annual Meeting, Held at Boston This Week.

(*Special Report.*)

BOSTON, April 27.—Nearly three hundred of New England's top-notch life insurance producers met to-day at the Parker House in an enthusiastic Congress of Life Underwriters' Associations of New England. The meeting was conducted with snap and vim, the speakers were inspiring, and their audience receptive.

Nine associations were represented, as follows: Central Massachusetts, Western Massachusetts, Boston, Rhode Island, New Hampshire, Bangor, Portland and Connecticut, and a score of representatives from the New England Women's Life Underwriters' Association.

It is the custom of the Congress that the president of the local association where the Congress assembles shall preside at the meetings, so at 11 o'clock President Clarence C. Miller, of the Boston Life Underwriters' Association, called the meeting to order, mentioning the coincidence that just thirty-one years ago—in April, 1883—the first Life Underwriters' Association in New England was organized in that identical room!

In a brief but witty address, Mr. Percy V. Baldwin, the Boston general agent of the Travelers, welcomed the visiting delegates from the various New England States, sounding as the slogan of the Congress the famous pact of the "Three Musketeers," "One for all, and all for one," for the advancement of the best interests of true life insurance.

"The Purpose and Value of the New England Congress" was discussed briefly by Henry S. Waldron, of Springfield, Mass., who said that since the establishment of this Congress three other districts in the United States have arranged for similar conferences, and that since the last meeting of the National Association of Life Underwriters its membership has increased from 3,600 to over 5,100. He said that there are approximately 13,000 men and women in New England carrying the rate-book to-day, according to reliable data secured from the States, and he pointed out that the New England Congress is thus in a position to be a powerful factor in the upbuilding of the National Association.

MR. GANSE ON SECURING AND DEVELOPING PROSPECTS.

Franklin W. Ganse, general agent of the Columbian National Life, who is vice-president of the Boston Life Underwriters' Association, was next introduced. Mr. Ganse is a man of action, one who accomplishes things, and who is usually found on the committees of organizations where results are desired. He spoke extempore, in his usual forceful and convincing way, his remarks frequently being interrupted by applause.

He began with the prophecy that the stimulus imparted to those in attendance upon this Congress would be the cause of a larger attendance than usual at the meeting of the National Association of Life Underwriters later in the year. He said that the companies have always been successful in averaging their business—mortality, expenses and investments—and that it is up to the agents to strike an average in the results of their field efforts. At present there is much waste due chiefly to lack of well-directed effort. In his experience, he said, he had never known a man to fail if he had the requisite knowledge and personality and would exercise cheerful and untiring effort.

His principal point was that the important thing in life insurance work is not the securing of the prospect, but his development. Any one can get prospects, but it is the scientific development that counts. There is abundant raw material. Start with the man who shows some interest in insurance through a response to a circular or an advertisement. Next work through the old policyholder, starting an endless chain of new prospects through his endorsement of your work. Then keep an eye out for the man whose age you know, and cultivate him at the change of age, and fourth, watch for the man who has been promoted. Success is assured for the agent who will work cheerfully and faithfully.

Mr. Ganse outlined four practical rules for success, viz.:

(1) Start by seeing enough prospects each day to keep busy—and *do keep busy.*

(2) Develop as many as possible of these prospects into policyholders.

(3) Develop every policyholder into a client, and a source of other prospects. Mr. Ganse expanded this point, showing how an endless chain could be built up, and remarking that many of us are neglecting our old policyholders.

(4) Develop in every prospect and policyholder and client a real knowledge of the scope of life insurance as a profession, acting as his advisor on insurance matters just as a lawyer attends to the business affairs of his clients.

Mr. Ganse pointed out that the average life insurance man has not recognized the broad scope of insurance as encouraging thrift as well as affording protection against the loss of the breadwinner. Life insurance has the element of safety, found elsewhere only in the savings banks. It combines with this the element of compulsion, found elsewhere, perhaps, only in the case of a real estate investment on the instalment plan. It also provides a secured income, and protection against the unexpected loss of the wage earner—elements not to be found elsewhere than in life insurance. He advocated the education of agents to talk to clients along the first three lines.

In closing, Mr. Ganse urged the injection of the fighting spirit into the work, not, however, an antagonistic spirit, but rather a knightly bearing, combining courtesy with the militancy so necessary in many cases to make our fellow-man do his duty.

MR. WHEELER ON PSYCHOLOGY OF SALESMANSHIP.

Guy F. Wheeler, of Worcester, Mass., spoke on the subject of the Psychology of Salesmanship. Mr. Wheeler is a forceful speaker, and his ideas were met at frequent intervals by demonstrations of approval. He said:

This topic recognizes that even the matter of salesmanship is a process which operates under law. This is a scientific age—animated interrogation points stalk abroad. A multiplication of laboratories invite students to original research along varying lines. The development of modern science has been mostly along material lines. The study of the operation of the mind made a beginning many years ago, but the prosecution of such a study has lain dormant until comparatively recent years. With the development of psychological education and the aid rendered by laboratory experiments a new interest has developed in this most fascinating subject. Out of the crude efforts of the alchemist has grown the modern science of chemistry bringing its untold blessings to mankind.

From the kite sent into the clouds to bring down its current of electricity we have come to the numerous and wonderful application of this marvelous power until we flash our messages through intervening space. May we not expect that the crude and in many instances absurd theories which have been put forth in relation to the operation of the mind may yet have equally wonderful development? But with our present know-

Digitized by Google

edge of the operation of our minds enough is known for us to make some practical uses of present information.

When Senator Hoar furnished for the Worcester court house the motto "Obedience to Law is Liberty," he enunciated a great principle that operates in all realms. As we come to know the laws of nature and render implicit obedience, the law which was a tyrant comes to be our servant and the lightning which the ancients knew only as destructive is one of the greatest servants of to-day. The more we appreciate the universality of law the more readily will we recognize that every operation of the mind must be in obedience to great mental laws. First of all I would like to call your attention to that mental action known to the psychologist as

APPERCEPTION.

An idea to be appropriated must be apperceived. Perception may be to a degree passive; apperception is always active. It is the mind rising in response to the stimulus of a new thought and appropriating it, but the idea as it is received will be colored or shaped in accordance with the sum total of previous ideas.

From our childhood we have been receiving mental impressions beginning with the most simple images and concepts, and these have been accumulating until we have what is termed the apperceptive mass. Because of this fact no two of us see things just alike. In viewing the landscape the artist sees a picture, the builder sees the timber in the trees, the engineer sees the power in yonder waterfall, the boy sees the butterfly flitting from flower to flower, although all stand viewing the same bit of country. Now, this is true in relation to everything. Whether it be material things or abstract truths, and the salesman must recognize this fact and draw out his prospect. By embracing every opportunity for acquaintance with him he will order the presentation of his proposition with a view to the mental state of the man he solicits. This brings us to another principle which should engage his attention, namely,

THE POINT OF CONTACT.

Every new thought is appropriated by the mind as it links on to some previous mental conception. We will secure the attention and develop the interest of a man only so far as we find the point in his plane of thought to which we may attach the thought we seek to impress. This point of contact will be found in the experiential life. The closer a thing lies to the plane of our experience the more easily we become interested in it, and our appreciation of the matter is in proportion to its presentation in terms of our own daily life. An illustration drawn from the farm would fall flat when presented to the city born and bred, and nautical terms are meaningless to the landlubber who has never seen the sea. In taking advantage of this principle the salesman will find not only what enters into the life experience of his prospect, but also which of these experiences lies nearest to his heart. But after all, the greatest power that moves men and which we can us to the best advantage is to be found located in the emotions. It may be pride, or acquisitiveness, or the love of home or children, but there is to be found somewhere in every man's daily experience a point of contact where the greatest power may be wielded, and the salesman who is no student, while he may happen upon the right lines occasionally, cannot have the full degree of success that will be realized by the man who studies to take advantage of this great psychological fact. Another principle which rightly understood cannot fail to encourage the insurance salesman is the power of

CUMULATIVE IMPRESSIONS.

Psychologists have sometimes termed this "suggestion by repetition." It is a fact that while the first impression may be slight, subsequent impressions along the same line produce an ever-increasing effect. The nicety of the application of this principle consists in making an impression without irritating. To irritate a prospect is to repel him, but to wisely and tactfully repeat impressions previously made is to hasten the time when the preponderance of thought upon the proposition presented will overcome all objections.

A final word along the line of

NON-COMBATIVENESS.

It has sometimes been suggested that the matter of salesmanship is a contest between the wills of the salesman and the prospect. The salesman is urged by the power of his will to overcome the will of the prospect. May this not be a mistaken attitude of mind? Let the contest be in the mind of the prospect between warring ideas, fears and desires and let the salesman take his stand with the prospect, and by a suggestion of lines of thought help the prospect's mind to the right conclusion. Let it be the prospect who does it under the gentle leadership of the salesman, but never should the salesman antagonize the prospect. If the prospect is inclined to argue, give a sympathetic and kindly attention to all that he says, almost to the point of assent to everything, and when he has used up his ammunition and is tired out, gently draw him back to the consideration of what you have in hand.

If we would influence men, our minds must meet theirs on the plane where they live, and time spent in finding their location will be richly rewarded.

At the close of Mr. Wheeler's address the meeting adjourned while a buffet luncheon was served. During the recess some of the agents discussed informally the proposition of the National Association of Life Underwriters to test the validity of the Federal income tax law as applied to renewals earned prior to February 15, 1913.

AFTERNOON SESSION.

Reconvening at 2 o'clock, the president read a telegram of regret from President Ernest J. Clark, of the National Association of Life Underwriters.

MR. WOODS ON TAXATION OF LIFE INSURANCE.

Edward A. Woods, vice president and chairman of the committee on taxation of the National Association of Life Underwriters, addressed the meeting on taxation of life insurance. He began by saying that it was a fortunate time to discuss this subject, after the victory of last year won before Congress in defeating amendments which would have added at least $6,000,000, and possibly $10,000,000 or $15,000,000, to the burden already borne by American policyholders. For the first time in the history of the country, when the issue was squarely up, the President of the United States and both Houses of Congress, after a consideration lasting all summer, decided that life insurance was itself a self-imposed tax by the provident and thrifty classes of the community, principally to provide for their wives and children and thereby save the State from later dependency, and that it was uneconomic to tax a tax. Having won this victory, largely by the aid of insurance agents throughout the entire country in presenting the case of the policyholders to their various congressmen and senators, it is a good time now to bring about some abatement in the burden proposed by forty-eight different States.

Mr. Woods pointed out that the burden from taxation upon American policyholders is already great; last year it was over $13,000,000. This amount would have purchased $550,000,000 more of insurance; it would have added 14 per cent. more to the refunds or dividends returned to policyholders; it aggregated several times over all the executive salaries paid to all officers of all life insurance companies; it meant $63 taken from every $1,000 paid to the widow; and would have reduced the total cost of life insurance over 2 per cent. Further, the burden is increasing. In 1871, twenty States levied no tax; now there is but one. In 1860 the tax was 70 cents on each $100 of premiums; now it is $2.26. In 1890 it was $2,000,000; now over $13,000,000, and this exclusive of the recent federal burden put upon insurance by the last administration. It is curious that American States tax life insurance just about the amount that the German Government contributes toward compulsory insurance. It addition to the money cost, the attention of all the principal officers of companies every time legislatures generally meet must be diverted from constructive upbuilding of insurance or from effecting necessary economies to opposing exactions upon the policyholders in endeavoring to successfully oppose such parts of the 2,000 bills that were last year introduced to various legislatures affecting life insurance, most of them imposing additional burdens upon it; this alone being a very serious question.

Mr. Woods pointed out that the fundamental purpose of life insurance should be understood. Life insurance is merely

A DISTRIBUTION OF A LOSS

by common contributions. No good economist would argue that

Digitized by Google

it is sound theory of taxation to tax a loss. All taxes are generally levied upon thrift. As a simple illustration of what life insurance 90 per cent. of the time is, suppose that upon the death of a villager kind neighbors had raised a purse and had gathered to turn over to the poor widow $1,000 to take care of herself and her children. Would any government live five minutes that would require the State tax-gatherer to enter that bereaved home and demand $63 for the State out of the $1,000? Why should it be the policy of the State to exempt hospitals, philanthropies, fraternal orders, assessment companies, to favor mutual savings banks and mutual fire insurance companies and yet tax life insurance companies? Why should we tax the insured just at a time when we are compelling, by various laws in almost every State, people to insure themselves or their workmen? Why should the State make large appropriations to take care of dependents and then tax those who voluntarily provide for their own dependents?

Mr. Woods further stated that America is the only country, civilized or uncivilized, that thus taxes life insurance. England, from the time of William Pitt—the father of the income tax—back as far as 1798, expressly exempted life insurance; and England, to this day, permits a man to deduct from the English income tax—England's principal source of revenue—one-sixth of his income, if paid for life insurance. Holland permits a deduction, up to a certain amount, if paid for life insurance. President Wilson has publicly expressed himself as favoring a similar provision exempting up to $500 from the income tax if paid for life insurance.

Mr. Woods cited a long list of publicists, economists and statesmen who uniformly, whenever the question has been considered, advocated the exemption of life insurance from taxation, particularly the speech of Senator Sherman in the United States Senate last year, when he said:

Life insurance is a protection. It is not bought for pecuniary gain. It ought to be cheapened and made easier. Instead of laying burdens on it, the government ought to exempt it and the companies writing it from taxation. As a shelter for the helpless it has no equal and few substitutes. The uncertainty of life and the certainty of death are problems which face every man. Most men begin life poor. They marry; their wives are dependent upon them; children come into the world, and between the family and want there is only the earning power of the man. The creation of a family at once increases the liability of general society, because if the man fails to support them, the risk of becoming public charges arises. Through no fault of the man, death often causes him to default on his obligations.

Life insurance is a device by which such defaults may be avoided, a process by which society may be relieved of what ultimately may be a public burden. It capitalizes the future earning power of the head of the family. That it is not an investment in the ordinary meaning of that word is conclusively shown by the fact that men almost never voluntarily seek it. They know that, measured by the standards of business, it means not profit, but sacrifice. Life insurance is not an investment; it is a tax, a voluntary tax, by which society is protected and social defaults prevented. * * *

The difficulty is to appreciate the fact that in life insurance there is another great accumulation of securities, so wise in its obligation to society, so beneficent in its influence upon the family, so powerful in its assistance to the State, so destructive in its opposition to want, to ignorance, to crime, that its appeal for exemption from further taxation is as much entitled to consideration in this chamber as any that can come before a legislative body. Instead of being further taxed, it ought to be relieved of some of its burdens.

Mr. Woods further suggested that instead of taxing the insured, the uninsured ought to be taxed, and urged the insurance men present to acquaint the millions of policyholders throughout their fields that taxes on life insurance directly increased its cost and came directly from their pockets, and could come from no other source. This is an expense placed upon life insurance that the officers are powerless to remedy. Other expenditures, by good management or by economy, may be reduced, but the burden of taxation must be paid by the officers or they must go to jail.

Mr. Woods further referred to the supervision of life insurance companies by forty-eight different States in nearly forty-eight different ways, and at least twenty different systems of taxation; some and most States taxing the *gross* income of life insurance, contrary to the practice of taxation laws and to almost any other business. He called attention to the fact that few businesses would stand a percentage tax upon their gross income, regardless of whether the business is profitable or not.

He closed by giving figures showing the relationship of life insurance to dependency and philanthropy, showing the reduction of poverty, of crime, of dependent orphans and aged, and of better social conditions brought about, in the opinion of world-leading economists, by the institution of life insurance. He said that if the 25,000,000 policyholders in the United States understood as thoroughly as members of fraternal orders that this tax came right from their pockets, it would not be tolerated and it would not be possible for States and government to continue it; quoting the opinion of an English statesman who said that should any cabinet member propose such a bill in England taxing life insurance as America taxes it, the cabinet member would not hold office twenty-four hours.

Mr. Woods spoke particularly of the fact that Massachusetts collected, in 1912, in insurance taxes, $1,144,409; of which there was expended for the insurance department but $72,825, leaving a profit to the State of $1,071,584—a profit all made by taxing losses. Ninety-three per cent., therefore, of the taxes collected reverted to the State treasury and only 7 per cent. was expended for supervision, notwithstanding the efficient form of supervision that Massachusetts gives and always has given.

MR. SCOVEL ON MONTHLY INCOME INSURANCE.

Charles W. Scovel, of Pittsburgh, a former president of the National Association of Life Underwriters, read a valuable paper on the monthly income plan of life insurance, saying in part:

"Three generations from shirt-sleeves to shirt-sleeves." Only yesterday it was coined, this jibe at American speed in dissipating inherited money. To-day it has already lost its point. The fact has far outstripped the jibe. It takes nothing like three generations nowadays for the money to get away. The very moment a man dies leaving insurance money or anything else that isn't nailed tight, the widow begins to be "a shining mark for the mining shark." Hundreds of millions of dollars every year are swallowed up by sharks of all kinds—to say nothing of all the other birds that so willingly lend riches their wings. Edward Atkinson, earnest student of living conditions, once studied this matter and gave his opinion that "No less than 96 per cent. of insurance proceeds is dissipated before the end of four years." Three generations? Three years is more like it—

THREE YEARS FROM WIFEHOOD TO WASH-TUB.

To remedy these sorry conditions, income insurance had to come. It has been slowly developing for two decades, and within the last half dozen years has been perfecting rapidly. Insurance money need no longer be left as loose cash, the most losable and most spendable asset a man can leave. Just the contrary. Income insurance money now stands out among all his assets as the very safest from loss or unwise spending, the very surest to carry on his care for dear ones to the very end of their after lives and even to grandchildren he will never see. Indeed, their income after his death will be far safer and surer than his own income while alive.

The little phrase "payable monthly," so recently put into the income policies, is the great big thing that is now changing the whole map of family protection. It is like Singer's shifting that tiny eye from the needle's tail to its head (where an eye ought to be, anyhow), and thus equipping the sewing machine to do its revolutionizing work in the world. The monthly payment idea is what made income insurance a really practical provision for livelihood needs. It applies the money just as the husband and father did himself—just as the wife and daughter have been used to handling it.

This monthly money, coming in fixed amount on a certain day, is actually worth more, dollar for dollar, than the same

Digitized by Google

total coming irregularly and at longer intervals, as investment incomes usually do. The former means a cash basis, every dollar bringing full present value; steady comfort; peace of mind. The latter means a credit basis, with money spent before received; feast or famine; waste and worry.

The rest of the world has been quick to apply the monthly income idea in all its latest pension and relief planning. The new laws for mother's pensions or for workmen's compensation in many States—the more and more numerous plans of private corporations, churches and institutions—even Carnegie's Hero Fund and Uncle Sam's latest bill to pension soldiers' widows—all provide for incomes payable monthly. Lump sums or even quarterly incomes are no longer considered a fit provision for widows, children or old age. These various plans represent the expert judgment of social workers, actuaries, financiers and legislators after full investigation.

How small an income it is worth while to provide, as being sufficient to keep the family unit unbroken and raise the children at home, is shown by the provisions made by law out of public funds. New Jersey, for example, allows $9.00 a month to a mother with one child under sixteen, with $5.00 more for a second and $4.00 for each other such child. The federal bill that passed the House this month allows $12.00 a month to the widow alone, with $2.00 more for each child under sixteen. A mother with three children would receive $18.00 a month under either scale. The Carnegie Fund gives commonly sums varying from $20.00 to $50.00 a month. The plan recommended by a committee of the Protestant Episcopal Church to provide for the families of its clergy allows $25.00 a month as the minimum for livelihood, and adds an increasing allowance for educating each child up to $25.00 a month from fourteen to twenty-one years. These families, of course, belong on a high social plane.

INCOME INSURANCE

for the sums thus stamped by high authorities as sufficient for the purpose is well within reach of the great mass of family men able to carry policies of a face value from $2,000 to $5,000. A $2,000 policy, for example, will yield $170 of cash for funeral and other special expenses and then pay $10 a month for twenty years at least; and as much longer as the widow lives. A man under forty years with a wife not much younger can make this provision for his own widow and child (more than New Jersey bestows) by setting aside between $2.50 and $5.00 a month. And with the same saving and under the same policy he is providing likewise for his own old age. The non-producing years of wife, child or self (whichever need the unknown future may bring forth) are all included in the scope of this financial programme—to say nothing of his burial fund and his loan value for any emergency use along the way.

Under this plan the income figures over 6½ per cent. on the lump sum of $1,840 left with the company to provide it (and used up in so doing). That is half again as much as could be had from the class of sound investments proper for a widow's money. One dollar premium applied in this way yields about the same income as $1.50 of premium applied for lump sum insurance if that lump sum is safely invested. To yield such returns throughout the widow's life is made possible only by grace of the annuity principle—whereby the hazard of long survival is averaged among many annuitants, precisely as the opposite hazard of early death is averaged among many lives at risk. That is why only a life insurance company can make such returns. That is also why this particular plan best fits the great bulk of cases, those in which every premium dollar must yield the largest income it can.

THERE IS ANOTHER PLAN

that is particularly attractive to men of larger means, and which is also apt to be the best for any case where the beneficiary is so much younger than the insured as to make the special annuity premium too large. This plan does not use up the principal in installments, nor call in an annuity to help out. It is a simple matter of investment and can only yield regular investment rates of income. But it does keep the principal intact among the company's assets, withdrawable any time and never below par. Thus it provides not only the monthly income, but also a cash fund that can be drawn on for emergencies. Thus, also, it does not end with a single life, but will go on producing its income through the next generation and then pay the principal to a third generation now unborn.

It enables a man to-day to rivet a livelihood to the lives of both wife and daughter, through a chain of monthly checks they cannot outlive and a principal they cannot lose—and then have that principal make safe that his own third generation will belong in the coat-sleeve class. All this might be done through a trust company, but not with the same guarantee of safety and precision or the same prospect of the very best returns obtainable in changing future conditions, or the same immunity from taxation, expense or trouble.

THESE TWO FUNDAMENTAL PLANS CAN BE COMBINED

and varied so as to fit the needs of any family, and with freedom of later readjustment to cover changed conditions, after-born children or grandchildren, etc. And these new income services can (in most companies) be applied to the proceeds of existing policies, though originally issued without any such provisions.

These new services look far down the future. The policy into which a young man is putting money to-day may be still in force and paying monthly checks to his aged granddaughter a hundred years hence. That's a long time. Life insurance affords the only human machinery that can be set to run for a century or more with precision. You see, life insurance is first of all a science—the applied science of nature's mortality laws. For over two centuries its calculations have stood the test of experience. They are as sure as the calculations of astronomy.

In both these sciences the personal equation, while it cannot be wholly avoided, is reduced to its lowest terms. And in life insurance all possible dangers through personal error are guarded against by forty-eight varieties of State laws and supervision, more rigid and exacting than are known in any other business. The other safeguard and guarantee of stability is that this business is peculiarly built upon broad averages in every direction.

Life insurance investments get the strength and benefit of broad averages by three sorts of diversity. First, diversity of kind, including city and farm mortgages, and the widest variety of gilt-edge bonds. These two classes, with policy loans, include 90 per cent. of the assets. Second, diversity of space, by spreading these investments through all desirable parts of the land, with expert investment agents located in all sections. Third, diversity of time, each year's investments being added to the far greater bulk of securities obtained in past years, thus absorbing in the whole average the temporary fluctuations of market values and interest rates.

Clearly, life insurance is the one institution of proven fitness to render this new service of lengthening the arm that each generation stretches out to help those that come after. The income service begins where the old policies left off. It begins when the need begins and outlasts that need. It does for the family of the wage-earner or salaried man what no other machinery will do at all. For the rich man's family it does the vital part, the livelihood part, of the service he has sought through the trust company, and does it better.

Lump sum life insurance is no longer the real thing in family protection. Monthly income insurance is that real thing. Its benefits endure. Its future development is beyond imagining. It will bind together in a steady progression the successive generations of mankind.

At the close of Mr. Scovel's remarks votes of thanks were accorded the various speakers and the presiding officers. The place of next meeting was left to the informal committee composed of two members of each of the associations represented in the Congress.

Adjournment was then taken.

(*Continued from page 372*)

resigned. The company was formerly the Central National Fire, and it is to be conducted as a reinsurance company only.

The **Florida Association of Local Fire Insurance Agents** has elected the following officers for the ensuing year: President, R. M. Prince; vice president, T. H. Owens; second vice president, D. W. Davis; third vice president, W. C. Batty.

The **Missouri insurance code commission,** which had intended to conclude its public hearings this week, has announced the postponement of the final hearing until about the middle of May. The hearings will be continued meanwhile.

An address by Fire Commissioner Adamson of New York and a fire prevention exhibit are to be **features of the convention** of the National Association of Manufacturers at the Waldorf-Astoria on May 19 and 20.

Digitized by Google

A new insurance paper just launched at Seattle is the *Pacific Insurance Review*, which is edited by C. L. Palmer and A. S. Dukinfield. The initial number was issued during April.

It is reported that the charges once imposed on Pittsfield, Mass., on account of **dirty cellars and careless methods** should be restored, as conditions are said to be bad again.

The **Florida Local Underwriters' Association** has elected O. P. Stallings, of Tampa, as secretary and treasurer. The next meeting will be held at Tampa.

A Peoria fireman who was discharged from the fire department recently has **confessed starting two large fires** in that city within the last week.

The **Insurance Exchange of Memphis**, Tenn., has been reorganized, and forty of the fifty agencies in that city are represented in it.

Life Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

April 30, May 1-2—Agency convention Central Life of Des Moines, Ia., at home office.
May 21—Actuarial Society of America at Hotel Astor, New York City.
June 16-19—Modern Woodmen of America at Toledo, O.
June 24-29—Fidelity Mutual Life, agency convention at Atlantic City, N. J.
July 27-30—Life Underwriters Association of Canada at Halifax, Ont.
August 17-19—National Fraternal Congress of America at Niagara Falls.
September 8-11—Agency clubs, Equitable Life Assurance Society at Cape May, N. J.
September 15-17—National Association of Life Underwriters at Cincinnati, O.
September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.
September 21-26—Third International Congress on Diseases of Occupation at Vienna.
September ——New York Life $200,000 Club at Colorado Springs, Col.
October 7-10—American Life Convention at Dallas, Tex.
——National Association of Mutual Life Underwriters at Chicago, Ill.

The formal ceremony of laying the **cornerstone of the new Equitable building** at 120 Broadway was observed Wednesday at noon, when Mayor John Purroy Mitchell wielded the silver trowel. The ceremony and luncheon following were attended by a large number of city officials and others and assumed the importance of a large city affair. The cornerstone was laid at the Broadway and Cedar Street corner of the building. Before spreading the mortar Mayor Mitchel made an address. In conclusion he said:

I congratulate the owners of the building upon this, the largest, if not the highest office building in the world. I congratulate them upon their contribution to the equipment of the city. I congratulate them upon having what I feel may possibly be the last of these cities within a city—but that is a problem for to-morrow. To-day I take genuine pleasure in laying this cornerstone and in wishing godspeed and safety in the completion of this great enterprise.

After the luncheon at the Whitehall Club there were numerous informal addresses, among them being one by Vice President John B. Lunger, of the Equitable Life, who described the circumstances of the construction of the old Equitable building, which was built under the direction of Henry Baldwin Hyde, founder of the Equitable Life. An eloquent tribute to General T. Coleman Du Pont, president of the Equitable Building Corporation, and to the Du Pont family, was paid by Governor Charles R. Miller, of Delaware, who was one of the guests.

In an article in the current issue of the *Northwestern National News*, President E. E. Rittenhouse, of the **Life Extension Institute**, states the fundamental proposition of his enterprise by assuming that the president of a life insurance company prevents one of his $10,000 policyholders from instant death on the street, and says:

The interest on $10,000 at 5 per cent. is $500 annually. If the man lived twenty years your insurance company (which is but another name for the policyholders, as they get the savings in dividends in most companies), would have saved, at simple interest, $10,000, and compounded it would be much more. In addition to this, the insurance company would have the premiums, which would also amount to a large sum.

Now, inasmuch as the savings from mortality in life insurance companies that operate on the mutual or participating plan, go back to the policyholders in dividends which operate to reduce the cost of their insurance, it stands to reason that the policyholders should be very much interested from a financial viewpoint in the life conservation efforts of the company in which they are insured.

Mr. Rittenhouse contends that timely medical attention will prolong lives just as surely, for varying lengths of time, as accident prevention devices will prevent untimely death from accident.

The Metropolitan Life has notified its agents that war risks will be written at the company's regular rates and for full benefits in case of death. The agents are instructed regarding outstanding policies that enlistment will not prejudice the insurance either in the industrial or ordinary departments, even though there be a restrictive clause in the policies. In the cases of those who may hereafter apply for insurance there are two limitations; the beneficiary named must be a bona fide dependent and the maximum amount must be $2,000 in the ordinary. The premiums charged, no matter what form the policy may be, must be those for 20-payments life, with annual premiums, Policies will be issued with free disability provisions except in States where the law requires a charge for this concession.

The annual meeting of the **Utah Association of Life Underwriters** was held at Salt Lake City April 14, and was attended by twenty-five members representing sixteen companies. For the ensuing year George D. Adler, of the National Life of Vermont, was elected president; George F. Eckstrom, of the Mutual Benefit Life, first vice president; Daniel H. Livingston, of the New York Life, second vice president; Ezekiel F. Mills, of the Northwestern Mutual Life, secretary; Alfred E. Denne, of the Equitable Life, treasurer. A committee was appointed to look after the entertainment of visitors next year, when it is expected that hundreds will pass through Utah on their way to the Exposition and Insurance Congress at San Francisco.

The **Equitable Life** has notified its general agents that no extra premium will be charged present policyholders to cover war service, at home or abroad. All policy provisions requiring permits are waived. A single extra premium of $30 per $1,000 will be charged on policies of not over $2,000 to new insurants who enter the service during the first policy year, whether they leave the country or not. In the event of the non-payment of this premium the liability will be limited to one-fifth the face of the policy. Applications from officers of the army or navy will be received, subject to a rating of six years and the $30 extra premium for the first year. Term policies will not be issued to intending war participants.

We are in receipt of the 1914 edition of the **Statistics Fraternal Societies** and the **Consolidated Chart of Insurance Organizations**, both published by the *Fraternal Monitor*, of Rochester. The first contains 248 pages of valuable information concerning fraternal societies and other data which cannot be mentioned in a brief review. The second is devoted to 90 pages

Digitized by Google

of solid statistical matter, covering in detail nearly two hundred fraternal beneficiary societies, life insurance companies and stipulated premium and assessment associations. Either book is published in manila covers at 75 cents per copy.

The **Montana Life News** is the title of a new company paper just issued by the Montana Life of Helena, Mont. The initial number is full of live matter, including a page devoted to the past, present and future of the company by its general manager, H. R. Cunningham. Mr. Cunningham speaks with enthusiasm of the good prospects for the company, and says it will proceed to develop its business in its present field, not intending to extend its operations for the present.

Life insurance losses due to the Mexican military operations have already been paid. The John Hancock has paid the claim on account of the death of Albin Eric Stream, a seaman, while the Metropolitan has been notified of the death of Charles Smith, a policyholder, and the Prudential has had two death claims on policies held by George Poinsett and Charles A. Smith.

The newly organized **Utah Association of Life Insurance Managers** held a meeting at Salt Lake City April 14 and elected William A. Moore, of the New York Life, president; George F. Eckstrom, of the Mutual Benefit Life, vice president, and Frank Mozley, of the Beneficial Life, secretary.

The Prudential Life insurance company of Canada is being delayed in obtaining its charter from the Dominion on account of the **infringement of its name** on that of the Prudential of Newark, which does an extensive Canadian business.

In Alabama in 1913 the life insurance companies wrote business totaling $41,293,062, received $6,674,580.29 in premiums and incurred losses of $2,036,565.08. The total business in force in the State at the close of 1913 was $218,769,995.

The **Rhode Island Life Underwriters' Association** dined at the Narragansett Hotel in Providence Wednesday evening and listened to an address by Edward A. Woods, of Pittsburgh, on the taxing of life insurance.

The **Berkshire Life** has waived all restrictions in its outstanding policies relative to war service as respects any policyholder who may enlist for service in the event of war with Mexico.

The **examination of fraternal societies** in Mississippi is shortly to be begun by Insurance Commissioner Henry. Receiverships await those unable to carry out their contracts.

A **general meeting of life insurance men** in Texas is to be held on May 20 at Dallas under the auspices of the Texas Association of Life Underwriters.

The **1915 agency convention** of the American Central Life will be held in San Francisco.

Casualty Insurance—Surety Bonding.

Dates ahead. The following announcements have been made regarding coming conventions:

June 10-11—Southern Casualty and Surety Conference at Asheville, N. C.
September —International Claim Association (place to be announced).
September — Brooklyn Safety Exhibit.
September or October International Association of Casualty and Surety Underwriters.
September 8-11 (tentative)—Detroit Conference at Atlantic City.
September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

The New York State Insurance Department has prepared a **standard form** of policy to be issued by stock companies for workmen's compensation insurance, which has been submitted for criticism and suggestions. The policy form covers employers' liability for compensation and medical benefits required under the New York workmen's compensation law, also the employer's liability for negligence claims that may be brought against him by injured workmen or their dependents. The coverage both as to employers' liability and workmen's compensation is unlimited. The policy is designed to be issued at uniform manual rates approved by the department subject to an adjustment to be made at the end of the policy term upon the last merit rating inspection report made within six months after the issue of the policy, such inspection report to take into account the physical and moral hazard of each manufacturing plant. The rate adjustment will be effective as of the original date of the policy. The policy contain the standard provisions required by the New York compensation law. An injured workman or his dependent may recover directly from the insurance company. As between the employee and the company notice to the employer has the same effect as notice to the company. The insolvency of the employer does not relieve the company from the obligation to pay compensation. The policy may be cancelled upon ten days' notice given in accordance with the requirements of the workmen's compensation law, and such cancellation will not affect claims that have arisen while the policy was in force. If the compensation law is declared invalid or unconstitutional, the premium will be readjusted in an equitable manner subject to the approval of the superintendent of insurance. The policy may be renewed at the end of twelve months by the issuance of a renewal certificate upon the payment of the premium. Executive officers are included in the payroll at a sum not exceeding $1200 per annum for each officer. The department is also preparing a standard form of indorsement to be attached to employers' liability policies terminating subsequent to June 30; also a standard form of policy to be issued by mutual companies which conforms in all respects with the standard form for stock companies, except that it contains a paragraph entitling the insured to participate in the surplus of the company in the form of dividends, and another paragraph defining the liability of the insured to assessments to be levied in accordance with law and the charter and by-laws of the corporation. One special feature in which this form differs from the stock company form is that the liability of the company for negligence suits is limited. This provision is contained in paragraph 2, which provides that the liability of the corporation for negligence shall not be greater than the amount which would have been payable to the injured employee or his dependents under the provisions of the workmen's compensation law. If this provision meets with the approval of the insurance companies and the public, it is likely that a similar provision will be inserted in the standard form prepared for stock companies.

The **National Surety** will enter the general casualty field, approving action having been taken by the directors. The first of this kind of business to be done will be by means of a "householders' policy" covering in one contract insurance against burglary, breakage of glass, water damage, the assured's legal liability and use and occupancy. Other lines may be taken up later.

(*Continued on page 385*)

Digitized by Google

The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, MAY 2, 1914.

USE OF CELLULOID IN SHOE FACTORIES.*

Substitution of Pyroxylin Plastic for Leather in Counters and Box Toes—Processes and Hazards.

By (a) E. H. Bartlett and (b) H. P. Bruce, Inspectors, Underwriters' Bureau of New England.

(a) CELLULOID BOX TOES AND COUNTERS.

Of late many shoe manufacturers have been using pyroxylin plastic, generally known as celluloid, on an extensive scale. The celluloid is used in the shoes, both in the form of counters and box toes. The use of these counters introduces no great increase of the fire hazard, but the use of celluloid in making box toes increases the ordinary shoe shop hazard materially.

COUNTERS.

In the celluloid counter the celluloid is reinforced on the outside by a small piece of sole leather to give stiffness, and then the whole is covered by a single piece of thin sheepskin covering both sides of the counter, and completely covering and concealing the celluloid. This method of making counters was invented and patented by Mr. G. H. Preble of Lynn, Mass., who sold the manufacturing rights to a Haverhill concern on a royalty basis.

The cost of these counters at present is the same as that of the highest grade of sole leather counters, so that there is no money saved by their use, and their introduction on a large scale in shoe factories is unlikely. Some manufacturers are using them exclusively in all their pumps and oxfords, as they claim that they are entirely proof against the softening effects of perspiration. These celluloid counters come from Haverhill, being brought ready made, and as the celluloid is completely covered by leather, they present practically no fire hazard.

BOX TOES.

The use of celluloid in box toes is a matter of no small importance. The celluloid is bought in sheets measuring 20 x 50 inches and 15-1000 inch in thickness, weighing about one pound to the sheet, and comes well crated in strong wooden boxes. The following description covers the conditions found in one factory, which probably represents the typical method of using the celluloid. The cutting of tips or boxes from the celluloid sheets is done in the cutting room, where the boxes are cut in lots of 2,000 pairs and tied into bundles of 100 pairs each. The lasters of this factory work in "gangs" of three men each, each "gang" having at his bench a supply of five different sizes of boxes. As there are ten "gangs," and as each hundred pair bundle weighs about a pound and a quarter, it follows that there is 60-65 pounds of celluloid on the lasters' benches at one time.

There was also a main supply of celluloid in the lasting room in the form of 100 pair bundles, contained in five half-bushel boxes, and which would possibly amount altogether to 100 pounds or more, making the total amount in the lasting room 160-165 pounds.

Before the celluloid boxes are used it is necessary to soften them by immersing in a solvent. Originally wood alcohol was used for this purpose, but on account of objections made by the men, some factories gave it up and are at present using a mixture consisting of about 70 per cent. of denatured alcohol and 30 per cent. of acetone, to which is added ¼ to ½ per cent. of oil of citronella, the latter ingredient being introduced only for the purpose of improving the odor of the mixture. This liquid is used from open tin boxes holding one quart each. The celluloid tips are suspended in this liquid for a few minutes by special hangers, after which they are inserted in the shoe, which is immediately lasted. The lasting is done cold.

It is not possible to use this process on turn shoes, but it is said to be a great success on welt and McKay shoes. It produces a toe easily lasted, which is light, flexible, uniform and perspiration-proof.

The process is said to have been invented by F. H. Thompson and F. H. Preble, of Lynn, Mass. On account of the opposition of the labor union, the process is not being used in many factories, but the inventors expect that it will come into general use as soon as some arrangement can be made with the unions. Celluloid "boxes" are being cut and sold at the present time by the Preble Box Toe Co. of Lynn and shipped to various factories outside of Lynn.

SUGGESTIONS.

The introduction of the process should call for the disuse of gas on account of the increased hazard. Electric lights should be installed in its stead. Ventilators are needed to take off the fumes from the alcohol. The boxes containing the solvent should be kept covered when not in use.

The celluloid, both that at the workmen's benches and the main supply of cut stock, is not usually covered. The supply at the benches should be kept in deep tin boxes with hinged covers, these to be kept closed at all times when not in use. The main supply should be stored outside the factory in strong metal boxes or fireproof vaults, only that quantity necessary for the daily output being brought inside. This latter supply should be kept in tight metal boxes with self-closing covers. Not over 250 pounds of uncut stock should be allowed in main buildings.

These celluloid toe boxes are cheaper than the best grades of sole leather boxes, but are more expensive than the cheaper kinds used in low grades of shoes. From all that can be learned, it seems probable that this process will before long be used extensively by makers of high-grade shoes.

(b) CELLULOID-COVERED WOOD HEELS.

The wood heel industry has taken such rapid strides in the last few years that it now plays a most important part in the shoe industry, especially in the manufacture of ladies' shoes.

The principal advantage of the wood heel over the leather heel is that while it is very difficult to fasten the lifts on some shapes of leather heels, it is a simple matter to obtain any shape desired from a block of wood.

Shoe factories using wood heels can be divided into three classes:

(1) Those making the complete heel. This class includes some of the largest factories.

(2) Those buying the wood heel and doing the covering themselves.

(3) Those buying the covered heel already made, as in the smaller factory.

The first class includes factories making the complete heel and covering it.

The wood with which these heels are made is almost always of maple. This wood is bought in planks and sawed into strips wide enough for the desired heel model, the strips being then sawed into pieces about two inches long. These blocks are then shaped on a molding machine to the desired size and shape. They are treated with a thin solution of lacquer and are then ready for the celluloid coating.

This celluloid, which is a very cheap grade, comes in sheets about 20 x 50 inches and from 10-1000 to 15-1000 inch thick, a sheet weighing about nine ounces. From four to six of these sheets are fastened together and are cut with dies to the desired shape for covering the heels. Covers for about three pairs can be cut to the square foot. Some concerns cut up a day's supply, while others cut them as needed. The covers are sent to the cementing room to be softened and applied.

*Reprinted from N. F. P. A. Quarterly.

Digitized by Google

SOFTENING

is done in two ways: First by what is termed the cold process and second by the hot process.

The cold, or immersion process, consists of soaking the cover in a dish containing about a quart of solution made up mostly of wood alcohol with a small amount of acetone. The covers remain from one to six hours in this, and they are then plastic enough to stretch around the heel. The heel is held in what is known as a "Jack," which holds the heel on the top and bottom, the cover is stretched around the heel and cemented together at the breast with a heavy amyl acetate lacquer. The "Jack" is then removed and the cover is turned over the top and bottom of the heel, trimmed and cemented at the edges. The heel is now ready for finishing. A bottom lift of leather is fastened to the heel with a screw in the center, and with nails. The heel is then polished on a cloth buffing wheel with "Tripoli" polish, which gives it a smooth surface. The heel is now ready to be fastened to the shoe.

The hot or vapor process consists of softening the cover by means of the vapor given off when a mixture of wood alcohol and acetone is heated slightly. This heating is done in a wooden oven lined with hair felt and metal. The liquid is placed in a pan in the bottom of the oven, which is placed over a steam pipe. The covers are placed on a wire shelf above the liquid. The oven is tight except for the cover on top or door on the front for putting in and taking out the covers. The covers are allowed to remain in the vapor, the temperature of which is between 80 to 100 degrees Fahr., from four to five minutes.

These ovens are about 2 x 2 feet x 1 foot high and one operative has two ovens to attend. The cover or door to these ovens should have springs so as to close automatically and keep the vapor from escaping. From here on the process is the same as in the previous method.

The second class of risks includes those who buy wood heels and do the coating themselves. In this class the woodworking hazard is eliminated, but the celluloid hazard remains.

The third class of risks is those which purchase the wood heels already covered, and the hazard is only that due to the presence of the celluloid heels, which is small, as these heels will barely burn.

HAZARDS.

The woodworking hazard is the same as any woodworker, and a blower system should be connected to each machine to remove the sawdust and shavings to a good, safe shaving bin.

In cutting the celluloid there is a hazard in the celluloid and in the waste from it. Care should be taken to clean up all the scrap celluloid and have it removed from the building as soon as possible. There should not be more than 250 pounds of celluloid in the building at one time. The sheet celluloid and cut covers should be kept in a metal box with a metal cover when not in use and the main supply should be kept outside in a detached shed.

The main supply of liquids used as softeners should be stored outside and that in the dishes and ovens removed every night. The room in which this softening is done should be shut off in a good manner. There should be no open flames in the room, and if artificial light is used it should be incandescent electric with double globe, vapor-proof lamps with keyless sockets. The room should also be ventilated to the outside of the building.

RETOUCHING.

In most shoe factories a solution is used to retouch any damage done the uppers while the shoe is being made. Most of these solutions are made up of celluloid in solution with some solvent.

This solution is put on the damaged part with a brush, and after drying is buffed or rubbed up.

The retouching solutions come in small bottles holding about half a pint, and each operative may have from six to eight of these bottles on his bench.

Practically the only hazard in conducting this work is that of an open flame coming in contact with the gases given off.

SHOE FORMS.

Although this class of work will probably not be found in shoe shops, it is worthy of mention.

These shoe forms are used for show purposes, such as in salesmen samples and in shoes in store windows.

The forms are made of either light wood, fibreboard or pasteboard. The old way was to paint or stain them for a finish, and as the call was for a better finish, pyroxylin plastic was tried with good success.

There are two ways of coating the form with this. One is to cover the form with the sheet celluloid and the other to apply the coating by means of a spray. The first method, that of applying the sheet celluloid, is similar to that used in coating wood heels. The second, that of applying the coating by means of a spray, is much more hazardous.

In the risk visited the spray is applied as follows: The liquid, which is celluloid and acetone, is purchased in cans and is poured into the sprayer as needed. The container on these sprayers holds about one quart. The air pressure is supplied by an air pump.

The shoe form is held by a wire under a metal hood with a fan, which conducts the air and gas to the outside. One coat of this spray is given the form and it is then sanded down and two more coats applied. The finish is obtained by buffing as in wood heels. As the solution comes in any color, any shade can be matched. By this method a coating of celluloid about 10-1000 inch is obtained.

This process should be done in a well cut-off room, which is provided with suction fans to carry the vapors to the outside. No open flames should be allowed inside the room, and the light should be incandescent electric in double vaporproof globes with keyless sockets. The storage of the solution should be guarded as are other highly inflammable liquids.

A Celluloid Factory Fire.

N. F. P. A. Quarterly.

This fire occurred in a large plant manufacturing a pyroxylin plastic known as fibreloid, which is a patented trade name for an article commonly known as celluloid. Plant consists of twenty-five distinct sprinklered buildings, basement, one and two stories in height and mostly of mill construction. All buildings are well detached. Eighteen of them are comparatively of small size, while seven contain, in all, thirty-one distinct cut-off fire sections.

Sprinkler systems are supplied through suitable connections from an eight and ten inch yard loop having an eight-inch connection with a thirty-inch high service waterworks main, pressure 105 pounds. Secondary supply consists of a 1,000-gallon Underwriters steam fire pump.

The fire originated in the solvent building, a one story and basement brick building of mill construction, forty-two by forty-two feet area. This building was used for the recovery of camphor from scrap fibreloid and contained two machines especially designed for this purpose. This process consists of treating scrap with caustic soda and extracting the liberated celluloid. There was always more or less storage of scrap in wooden boxes packed on first floor and in basement. The first notification of fire came from the electric annunciator connected with alarm valves. Engineer promptly notified the fire department which started the pumps. Building was found to be burning fiercely, flames shooting high into the air, as is typical for this class of material. Two streams were taken from pump and the fire department also laid two streams. Attention was directed to the exposed buildings. Sprinklers in first story, about twenty in number, all opened but apparently had very little effect upon the fire, due to the extreme hazard of the contents. There were twenty-three sprinkler heads in the basement, only eleven of which opened. Very little fire took place in this basement, fire being most vigorous on the south side of the first floor where it appeared to have originated. Sprinklers in the other buildings materially aided in preventing fire from entering them.

Although there was no manifestation whatever of an explosion, three walls of the solvent building fell outward about half an hour after the start of the fire. The cause of this seems to have been the same which has been assigned to other fires of this character, namely, that the heat and gases from the combustion of a large quantity of this material will destroy brick or concrete work as the intense heat, quickly applied, causes unequal and excessive expansion, resulting in failure of the structure. This should be accepted as one of the characteristics of the combustion of large quantities of pyroxylin plastic materials.

The actual cause of the fire is impossible to determine, several theories being advanced, the most likely of which is that there was some foreign material contained in this scrap which may have started the fire.

CONCLUSIONS.

(1) In planning protections against this hazard, the great intensity of the fire over that of an ordinary fire should be thoroughly considered.

(2) The sprinkler equipment should be planned on the assump-

Digitized by Google

tion that considerable of the water will be evaporated by the excessive heat.

(3) On account of the great amount of heat radiated from this burning celluloid, whether in a fireproof vault or not, it is imperative that it should be stored a distance of at least fifty feet from surrounding buildings.

(4) It is desirable to keep the amount of material subject to one fire to five tons or less. If large quantities must be kept on hand, they should be divided into small amounts and stored in separate fire sections, preferably separate buildings.

Suggestions for Motion Picture Installations.

Before being installed, every motion picture machine booth should be constructed entirely of fire resistive material, which may include only brick, tile, concrete, hard asbestos board, or their equivalent. This booth should be placed directly over the entrance, sufficiently high as not to interfere with the hasty exit of patrons. There should not be more than two openings, one for observation by the operator and one for operating the machine. All openings should have doors constructed of metal not less than three-sixteenths inch thickness and so arranged as to admit of ready closing by the operator. The shelves and all furniture within the booth should be constructed of incombustible material, and the accumulation of waste should be looked after daily. The motion picture machine should be securely fastened to the floor.

Portable booths should be used only for temporary exhibitions of motion pictures, and consent to these exhibitions should be refused if the building has no emergency exit. At least two standard hand chemical extinguishers should be provided and located in an acceptable place within easy reach of the operator. Neither smoking nor the keeping nor use of matches should be permitted in any booth where a motion picture machine is installed. Each machine, while in operation, should be in charge of an experienced operator. The entrance door to the booth should be kept closed but not locked, when an audience is in the building.

No motion picture machine should be installed, maintained or operated in any building that does not abut directly upon a street; nor any such machine be installed or operated in connection with any exhibition room contained in the building occupied as a hotel, tenement house, or lodging house; nor in factories or workshops, except where the exhibition room and motion picture machine are separated from the rest of the building by unpierced fireproof walls and floors; and in no case should the main floor of such exhibition room be more than four feet above or below the grade level.

All motion picture exhibition rooms should be provided with at least two separate exits, one of which should be in the front and the other in the rear, both leading to unobstructed outlets on the street. The aggregate width in feet of such exits should be not less than one-twentieth of the number of persons to be accommodated thereby. No exit should be less than five feet in width and there should be a main exit not less than ten feet in total width. All seats in any exhibition room for moving picture machine should not be less than thirty-one inches from back to back securely fastened to the floor, and so arranged that there will not be more than thirteen seats in a line between aisles, nor more than six between any seat and an aisle.

All aisles should lead directly to exits and all exits should be directly accessible to aisles. No aisles should be less than three feet in width where they begin and should be increased in width toward the exit three inches to every ten running feet length. All exit doors should be arranged to swing outward and be provided with fastenings such as can be readily opened from the inside without the use of keys or any special effort, but kept unlocked when the room is open to the public. Every exit doorway leading from exhibition room should have over the same on the inside the word "Exit," in letters not less than six inches high or an illuminated sign with letters of the same height.

General Classification of Fire Losses in the United States Amounting to $5,000 and Over Reported in April.

Number of Fires.	Classification.	Reported Loss.
53	Spreading fires, with omnibus loss	$3,207,500
50	Business buildings, with varied occupancy	1,695,000
7	School and college buildings	699,000
15	Lumber plants	616,000
11	Hotels	608,000
13	Suburban dwellings	560,000
1	Fertilizer factory	500,000
1	Steel plant	500,000
6	Summer resorts	469,000
18	Miscellaneous manufacturing risks	438,000
2	Meat packing plants	405,000
5	Grain elevators	295,000
11	Miscellaneous warehouses	281,000
2	State and county buildings	281,000
8	General stores	211,000
2	Printing plants	190,000
3	Steam boats	185,000
8	Garages	182,000
6	Miscellaneous mercantile risks	179,000
1	Canning factory	125,000
2	Theatres	120,000
5	Machine shops	105,000
15	City dwellings	102,000
1	Box factory	100,000
1	Rice mill	100,000
5	Railroad buildings	97,000
2	Cotton oil plants	85,000
9	Farm buildings	80,000
3	Furniture warehouses	80,000
1	Marble plant	80,000
3	Flour mills	77,000
1	Department store	75,000
2	Apartments	67,000
1	Roller skating rink	50,000
5	Stables	50,000
1	Tenement	50,000
1	Loss due to lightning	40,000
2	Sanitariums	36,000
1	Sash and blind factory	35,000
3	Bakeries	33,000
1	Race-track building	30,000
2	Store-and-dwelling risks	30,000
1	Cotton warehouse	25,000
1	Electric light and power plant	25,000
1	Hay and grain warehouse	25,000
1	Brick yard	20,000
2	Laundries	20,000
2	Saloons	20,000
2	Cooperage plants	18,000
2	Cotton gin plants	17,000
1	Basket factory	15,000
1	Drygoods store	10,000
1	Dye works	10,000
1	Hardware store	10,000
1	Shingle mill	10,000
1	Shoe factory	10,000
1	Water works plant	10,000
1	City barn	9,000
1	Carriage factory	8,000
1	Boathouse	6,000
1	Creamery	6,000
1	Iron foundry	5,000
1	Wharf and pier	5,000
	Total	$13,412,500
	Add 15 per cent. for small and unreported fires	2,011,875
	Total	$15,424,375

Total fires reported, 324.
Nine of above fires reported as incendiary; loss, $116,000.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Alabama.

1. Examination of Insured—Refusal to Answer Questions Matter of Abatement.

The effect of the refusal of the assured to answer questions on oath under the terms of the policy is not to forfeit or avoid the policy and bar recovery on it, but to suspend the right of payment or recovery until the answers are given in compliance with the condition. Such refusal should be pleaded in abatement and separately from defenses in bar of recovery in all events at any time.

2. Same—Pleading and Practice—Abatement—Waiver.

A plea to the merits, such as the general issue, is a waiver of defenses available in abatement, and where an insurance company filed a plea of the general issue, it could not rely on the refusal of the insured to submit to an examination under oath concerning a loss, for that is a matter of abatement.

3. Same—Authority of Attorney—Admissibility of Evidence.

Where the insurance company set up the conditions of the policy requiring proof of loss and submission to examination under oath, and alleged that no proof of loss had been furnished, and that insured refused to submit to examination, under such plea, evidence that an attorney representing another insurance company, whose policy covered the same loss, with the knowl-

Digitized by Google

edge of the agent of the defendant insurance company, examined the insured, professing to act as attorney for both companies, and prepared proofs of loss, which were accepted by the defendant insurance company, was admissible.

4. Property Covered by Policy—Admissibility in Evidence.

Whether or not the policy of insurance on a stock of toilet articles, labels, machinery, bottles, powder, and cartons covered the article of "corn starch," the value of which was testified to against the defendant insurance company's objection, it was certainly permissible, under the issues tendered by the plea setting up that the property was burned by the insured, to show the value of all the property of the plaintiff destroyed by the fire, as shedding light on the probability of such an act by the insured.

5. Same—Appeal and Error—Cross-examination of Witnesses.

On a trial the scope of the cross-examination of witnesses rests largely in the discretion of the trial court, and its action will not be interfered with on appeal, unless an abuse of discretion appears.

6. Same—Authority of Attorney—Estoppel.

Where an attorney without authority prepared proof of loss, which were accepted by the insurance company, and, with the insurance company's knowledge, examined the insured under oath in accordance with a provision in the policy requiring such examination, the insurance company, having acquiesced in the acts of the attorney, and accepted the proof of loss prepared by him and the examination of the insured which he made, is estopped to deny his authority.

Judgment for plaintiff in Circuit Court, Etowah County, here affirmed in the Court of Appeals of Alabama.

AACHEN & MUNICH FIRE INS. CO. vs. ARABIAN TOILET GOODS CO.,
64 Southern, 635. (February 3, 1914.)

Kansas.

1. Vacancy of Buildings—Construction of Policy.

Where the policy of fire insurance, covering a dwelling house and barn, provided that if the insured buildings become and remain vacant for a period of thirty days, the policy shall be void unless notice be given and a vacancy permit be issued, such provision should be interpreted with reference to its manifest purpose. It contemplates the protection of a guardian of the premises, some individual in charge of them who exercises a preserving authority over them, and gives them such care and attention as will naturally result in protection against the hazard covered by the policy.

2. Same—Same—Same—"Vacant."

Within such condition of the policy, a dwelling house may not be vacant although not actually occupied as a present place of abode, and such a dwelling house may be vacant although it may be far from being empty of everything but air.

3. Same—Same—Same—Action on Policy.

Within such condition of the policy, where the evidence showed that no one slept in the house at night and meals were eaten there only occasionally, such farm dwelling house and barn covered by the policy were not vacant.

Judgment for plaintiff in the District Court, Woodson County, here affirmed in the Supreme Court of Kansas.

ROBINSON vs. MENNONITE MUTUAL FIRE INSURANCE CO.,
139 Pacific, 420. (March 7, 1914.)

New York.

1. Arbitration and Award—Adjustment of Loss—Proceedings Before Appraisers.

Under a policy of fire insurance, covering a large piano factory which was destroyed by fire, providing that in the event of disagreement as to the amount of loss the same shall be ascertained by disinterested and competent appraisers, one to be selected by the insurance company, and the other by the insured, and the two to select an umpire and together should appraise the loss, and the award in writing of any two should determine the amount of the loss, while a proceeding by appraisers and an umpire to adjust the loss need not be conducted with the formalities of a trial in a court of law or equity, there must, nevertheless, be a fair effort on the part of the appraisers and umpire to ascertain the truth, and a consideration of available evidence and information, and a deliberate judgment of those making the award after due consultation and deliberation.

2. Same—Same—Duty of Appraisers.

In a proceeding to appraise the loss the appraisers as well as an umpire appointed to determine the loss should not only be disinterested and competent, but fair and unprejudiced as between the parties to the award, and a refusal or wilful neglect of an appraiser or umpire to listen to and consider material sworn statements presented, is evidence of bias and interest.

3. Same—Same—Determination of Loss.

Where appraisers and an umpire are appointed to determine an insurance loss, it is the duty of the appraisers to consult, and, if they cannot agree, to call in the umpire, whose function is to deliberate with them, and it is improper for one or two of them to consider evidence not submitted to the other or other appraisers.

4. Same—Same—Invalidity of Award.

Where the appraisers and an umpire appointed by an insurance company to adjust a fire loss were not impartial and signed an award for an amount much less than the actual loss, after having refused to consider relevant evidence on such subject, the award will be set aside for fraud.

Decree for complainant in suit to declare void a certain award of appraisers in proceedings to adjust loss, in District Court of the United States, Northern District of New York.

DAVIS MFG. CO. vs. FIREMAN'S FUND INS. CO.,
210 Federal, 653. (February 5, 1914.)

1. Action by Agent for Premiums—Liability of Mortgagor—Liability of Mortgagee.

Where the mortgage on insured property provided "that the parties of the first part will keep the buildings on said premises insured against loss by fire, for the benefit of the mortgagee," and the policy contains a standard mortgagee clause, providing that the mortgagor shall keep the buildings insured against loss by fire for the benefit of the mortgagee, and that in case the mortgagor shall neglect to pay a premium due on the policy the mortgagee shall, on demand, pay the same, an insurance agent who has paid to the insurance company premiums on policies issued to a mortgagor cannot recover the amount of the premiums from the mortgagee, where the insurance policies were never cancelled and the insurance agent did not call upon the mortgagee to pay the premiums until several years after they became due.

2. Same—Same—Same—Condition and Covenant.

Where the policy provides that in case the mortgagor should fail to pay the premium the mortgagee, on demand, will pay the same, such provision is not a covenant on his part, but is merely a condition which, if not complied with by the mortgagee, precludes him from recovering from the insurance company under the mortgage clause.

Judgment for plaintiff in the Supreme Court, Chemung County, here reversed and complaint dismissed in the Appellate Division, Third Department, Supreme Court, N. Y.

COYKENDALL vs. BLACKMER,
161 App. Div., 11. (March 4, 1914.)

Oklahoma.

1. Authority of Soliciting Agent—Contract of Insurance.

Where a traveling soliciting agent, without actual authority to contract, who is furnished by an insurance company with no indicia of authority other than printed blank forms of application for insurance, addressed to the company, which either negative the idea of authority to contract, or, as in the present case, are signed by the applicants without actual knowledge of contents, such agent does not ordinarily have the apparent authority to enter into a contract of insurance.

2. Same—Same—Contract of Insurance Essential.

There is no contract of insurance unless the minds of the parties have met in agreement as to the subject-matter, the risk insured against, the period of risk, the amount of insurance and the premium.

3. Same—Same—Unaccepted Application.

An unaccepted application for insurance, accompanied by the premium, although retained without notice of objection for five days after its date, and until the applicant has suffered the loss against which he desired the insurance, is not a contract of insurance.

4. Same—Same—Same—Implied Acceptance.

Although acceptance of an application for insurance may ordinarily be inferred from the retention and application, when there is evidence reasonably tending to show that there was no such acceptance in fact, the law does not imply acceptance from such

Digitized by Google

retention, and the adverse finding and judgment in a trial court is conclusive against the applicant's claim of acceptance.

Judgment for defendant, District Court, Grant County, here affirmed in the Supreme Court of Oklahoma.

DORMAN VS. CONNECTICUT FIRE INS. CO.,
139 Pacific, 262. (February 28, 1914.)

1. Jurisdiction—Statutes of Oklahoma.

The statutes of Oklahoma (Session Laws 1907 and 1908, Sec. 2, Art. 1, Chap. 27; Constitution, Sec. 10, Art. 7) confer jurisdiction upon the District Court to try an action on an insurance policy for the recovery of $500 with interest in the sum of $43.

2. Same—Right to Recall Mandate.

When by mistake or inadvertence, an order, judgment or decision of this court is improvidently made as to the statute defining the jurisdiction of the trial court, although the mandate is transmitted to the trial court and by it recorded, the Supreme Court does not lose jurisdiction of the cause and may recall the same when the attention of the court is called to such mistake.

3. Same—Cancellation of Policy—Return of Premium—Condition Precedent.

Where an insurance policy provides that "this entire policy shall be void at the election of the company if, without the consent of the secretary or general agent of the company endorsed thereon, * * * the property insured or any part thereof be or become encumbered by lien, mortgage, or otherwise" and further that "this policy may be canceled by either party. If upon request of the company by returning to the insured the pro rata unearned premium * * * and giving notice to the insured, * * *" and the insured mortgages the property without the consent of the company, the insurance company cannot elect to declare the policy void without returning or offering to return to the insured the pro rata unearned premium.

4. Same—Appeal and Error—Findings—Evidence.

Where the evidence reasonably tends to support the findings of a jury the Supreme Court will not review the findings on appeal.

5. Same—Attorney's Fee.

In the absence of statute or conditions in the policy authorizing the taxing of attorney's fee, the same cannot be recovered.

Judgment for plaintiff, in District Court, Kingfisher County, mandate recalled, and judgment affirmed in Supreme Court of Oklahoma.

ST. PAUL F. & M. INS CO. VS. PECK,
139 Pacific, 117. (February 17, 1914.)

Pennsylvania.

1. Arbitration and Award—Limitation of Action.

Where the policy provided that in the event of disagreement as to the amount of the loss the same should be fixed by appraisement, and that the award should "determine the amount of such loss," and that the company should pay the same within sixty days after due notice, ascertainment, estimate and satisfactory proof of loss, no suit could be lawfully brought on the policy until the amount of the loss to be sued for had been so determined.

2. Same—Conclusiveness of Award.

Where the policy provided that in the event of a disagreement as to the amount of the loss the same should be ascertained by two competent and disinterested appraisers, one to be selected by the insurance company and the other by the insured, and the two to select an umpire and together should appraise the loss, and the award in writing of any two should determine the amount of such loss, the award of the appraisers was conclusive on both parties and fixed the amount of the liability of the insurance company.

Judgment for plaintiff in District Court of the United States, Western District, Pennsylvania, here reversed in the Circuit Court of Appeals, Third Circuit.

COMMERCIAL UNION ASSURANCE CO., LD., VS. DALZELL,
LONDON & LANCASHIRE FIRE INS. CO. VS. DALZELL,
210 Federal, 605. (January 29, 1913.)

Rhode Island.

1. Estoppel by Conduct—Arbitration and Award.

In an action on the insurance policy in the Rhode Island standard form, loss payable to mortgagee as his interest may appear, whereupon disagreement between the insured and the insurance company the question of loss was submitted to arbitrators who rendered an award for the amount of the loss, without an itemized list of the several articles damaged, together with the sound value and loss upon each article, the trial court properly excluded evidence showing that the form of the award used by the arbitrators was furnished by the insurance company, for the evidence would not establish an estoppel in pais which would prevent the insurance company from insisting on such award.

2. Same—Same—Failure to Request New Appraisal.

When the award of appraisers as to the amount of loss is invalid and a new one has not been waived, it is incumbent on the insured, not the insurer, to take further steps toward securing such new award, especially where the policy required the determination of the loss in case of disagreement to be by appraisement and award as a condition precedent to a right of action on a policy.

3. Same—Same—Appeal and Error—Harmless Error.

Where the insurance company was not required to take steps to procure a new award as to the amount of damage, upon failure of the first award and appraisement for not giving an itemized list of the several articles damaged, together with the sound value and loss upon each article, the exclusion of evidence as to the failure of the insurance company to ask for a new appraisement was harmless error.

4. Same—Same—Rights of Mortgagee—"The Insured."

Where the policy provided that the loss should be payable to mortgagee, as his interest may appear, and the insurance, as to the interest of the mortgagee only, is not invalidated by any act or neglect of the mortgagor or owner or by any proceeding relating to the property, provided, that if mortgagor neglects to pay any premium, mortgagee shall pay the same, and that "the insured" should make proofs of loss, and where mortgagee had no knowledge of the failure to procure a valid arbitration of the amount of loss as required by the policy, or of mortgagor's failure to procure a new appraisal and award upon failure of the first award, because it did not contain an itemized list of the several articles damaged, together with the sound value and loss upon each article, the neglect of mortgagor to procure such award would not prevent mortgagee from maintaining an action on the policy, since the words "the insured" refer to the mortgagor.

5. Same—Same—Same—Admission of Evidence.

On the trial the court properly excluded an award of appraisers which was invalid, whether offered to show performance of the condition requiring an award or to be establish the amount of loss, or for both purposes.

Exception to verdict for defendant in Superior Court, Providence and Bristol Counties, here sustained and case remitted in Supreme Court, Rhode Island.

RIDDELL VS. ROCHESTER-GERMAN INSURANCE CO. OF N. Y.,
80 Atlantic, 833. (March 13, 1914.)

South Carolina.

1. Assignment of Policy—Construction of Contract.

Where the policy contained an agreement relied on to avoid payment, which is fairly susceptible of two constructions, that construction will be adopted which is favorable to the insured.

2. Same—Avoidance of Policy.

Where a policy contained an agreement: "If this policy be assigned, without the consent of the association indorsed hereon, * * * this policy shall be void," such agreement was not clearly violated, when insured mortgaged the house covered to secure payment of a loan, and the same day took out the policy of insurance, and at the same time wrote on the policy: "In case of loss by fire proceeds of policy to be paid to mortgagee" as his interest may appear, and the fire occurred two years later.

Judgment for plaintiff in Common Pleas Circuit Court, Abbeville County, here affirmed in the Supreme Court of South Carolina.

HENDERSON VS. ABBEVILLE GREENWOOD MUTUAL INS. ASS'N.
81 Southeastern, 171. (March 16, 1914.)

South Dakota.

1. Concurrent Insurance—Statutes of South Dakota—Standard Form of Policy.

Under the laws of South Dakota (Laws 1909, Chap. 164), the use of a standard form of fire policy therein prescribed is compulsory and its provisions not only constitute the contract between the insurance company and the insured, but also the law governing the rights of the parties.

2. Same—Same—Same—Waiver.

Where the standard fire policy prescribed by the laws of South Dakota (Laws 1909, Chap. 194) provides that the entire policy shall, unless otherwise provided by agreement endorsed or added thereon, be void if the insured has or shall thereafter

Digitized by Google

procure any other insurance on the property covered and that the policy is made and accepted subject to that provision and that no officer or agent shall have the power to waive any provision or condition, except such as by the terms of the policy may be the subject of agreement endorsed thereon; and the previous standard form (Laws 1905, Chap. 126) provided that the insurer in order to avail himself of any provision rendering the policy void must promptly cancel the policy, upon having or obtaining notice or knowledge of the existence of any facts or circumstances which would, according to the terms of the policy, render it void, and otherwise would be deemed to have waived such provision of avoiding the policy, which provision was omitted in the laws of 1909; in view of that omission there was no waiver of a breach of the condition, because the agent of the insured had knowledge of the procurement of concurrent insurance, and did not attempt to have the policy cancelled; the provisions against concurrent insurance being for the benefit of the public, intended to lessen the moral risk and to prevent fraudulent destruction of property.

Judgment for plaintiff in Circuit Court, Charles Mix County, here reversed in the Supreme Court of South Dakota.

HRONISH VS. HOME INSURANCE COMPANY OF NEW YORK, 146 Northwestern, 588. (March 21, 1914.)

Tennessee.

1. Arbitration and Award—Waiver of Forfeiture.

Where the policy covering a stock of goods and fixtures gave the insurance company the option of taking the part of the articles saved from the fire at their apraised value, forfeiture of the policy by the sale by the insured of the damaged property was waived by the company by thereafter demanding an arbitration and appraisement of the loss, such demand being equivalent to an admission of liability on the policy.

2. Same—Refusal to Arbitrate—Effect.

Where the insured fails to comply with a demand by the company for arbitration of the loss pursuant to an arbitration clause, he cannot sue thereon, and such refusal, if unreasonably persisted in, forfeits the policy; and, if the insurance company refuses such a demand, the insured may sue at once on the policy.

3. Same—Fraud in Award—Effect.

Where an arbitration of the amount of loss fails because of fraud or intermeddling by the insured, he cannot sue on the policy; and, if it fails by the fraud and intermeddling by the company, the insured may abandon the arbitration and sue on the policy.

4. Same—Reappraisement of Loss.

Where the parties have appointed appraisers to determine the loss pursuant to an arbitration clause in a fire policy, and the appraisement has failed without fault of either party, the insured cannot be required to select another arbitrator.

5. Same—Same—Jurisdiction.

Where a bill was filed by an insurance company to set aside an award of arbitrators, the court acquired jurisdiction of the controversy, and could set aside the award and enforce the policies under a cross bill praying for their enforcement, without the selection of new arbitrators. In such a suit by the insurance company to set aside the award, the insured could file a cross bill to enforce the award, or, in the alternative, to enforce the policies, if the award was set aside.

6. Same—Non-payment of Loss—Demand for Payment—Statutes of Tennessee.

Where the statutes of Tennessee (Acts 1901, Chap. 141, Sec. 1) provide that insurance companies who refuse to pay the loss within sixty days after demand by the policyholder shall be liable to pay the policyholder in addition to the loss a sum not exceeding 25 per cent. on the liability for said loss, if such refusal to pay is not in good faith, a formal demand for payment must be made by the insured after maturity of the policy, and, if the company fails to pay within sixty days thereafter, the insured may sue on the policy or award and recover the penalty, if the refusal was not in good faith.

7. Same—Same—Same—Penalty.

Where no demand is made for arbitration of the loss under a fire policy, it matures, for the purpose of authorizing a formal demand for payment in order to fix the penalty pursuant to the statutes (Acts 1901, Chap. 141, Sec. 1) at the expiration of the number of days fixed in the policy for maturing; but if the policy provides for payment a certain number of days after the filing of an award, the date of maturity would be governed by the number of days so fixed.

8. Same—Same—Same—Maturity.

Where an award of arbitrators as to the amount of loss under a fire policy was defective, and the insurance company brought suit to set aside the award, no penalty could be imposed under the statute (Acts 1901, Chap. 141, Sec. 1) imposing a penalty upon the company for a refusal to pay the loss within sixty days, if the refusal was not in good faith, after demand, the time for making a formal demand for payment not having arrived.

9. Same—Same—Same—Burden of Showing Good Faith.

Under the statutes (Acts 1901, Chap. 141, Sec. 1) providing that upon the refusal of an insurance company to pay the loss within sixty days after demand, it shall be liable to pay a certain sum as a penalty if the refusal was not in good faith, the failure to pay the loss within sixty days after demand would place the burden on the company of showing that such failure or refusal was in good faith. Such statute, being penal, must be strictly enforced.

Decree in part for defendant on cross bill in Chancery Court, Bedford County, here affirmed in part and reversed in part in Supreme Court of Tennessee.

ST. PAUL FIRE & MARINE INS. CO. ET AL. VS. KIRKPATRICK ET AL., 164 Southwestern, 1186. (April 3, 1914.)

Texas.

1. Appeal and Error—Harmless Error.

In an action on an insurance policy the insurance company was not prejudiced by the action of the court in refusing to allow it a continuance to procure the testimony of a witness to prove a fact which the insured admitted.

2. Misrepresentation—Proof of Loss—Statutes of Texas.

Where the statutes of Texas (Revised Statutes 1911, Art. 4949) provide that any provision in an insurance policy that the same shall be void or voidable if any misrepresentations be made in the proofs of loss shall be of no effect, and shall not constitute any defense to any suit thereon, unless the false statement or misrepresentation was fraudulently made, and was of a fact material to the liability of the company, the fact that the insured in the proof of loss misrepresented the value of a stove could not affect the liability of the company upon the policy where the total value of the property destroyed, exclusive of the stove, was largely in excess of the amount of the policy.

3. Same—Same—Action on Policy—Evidence—Hearsay.

On the trial a statement by the insured's agent, not having been made in the presence of the insured, was hearsay and not admissible in evidence.

4. Same—Same—Appeal and Error—Contrary Result.

On appeal a verdict and judgment cannot be disturbed merely because there is evidence which might lead to a contrary result.

Judgment for plaintiff in the District Court, Taylor County, here affirmed in the Court of Civil Appeals of Texas, Ft. Worth.

CAMDEN FIRE INSURANCE ASSOCIATION OF CAMDEN, N. J., VS. PUETT,

164 Southwestern, 418. (January 10, 1914. Rehearing denied February 14, 1914.)

1. Cancellation of Policy—Return of Unearned Premium.

Where the provision of a fire insurance policy authorizes the cancellation of the policy by the company at any time by giving notice, and provides that the unearned premium should be returned, a legal tender of the amount of the unearned premium, unless waived by the insured, is essential to a valid cancellation, and the notice without the tender is not sufficient.

2. Same—Same—Waiver.

Where the provision of a fire insurance policy authorizes the cancellation of the policy by the company at any time by giving notice, and provides that the unearned premium should be returned; and an agent of the insurance company notified the insured of the intention to cancel the policy, and tendered a check for the unearned premium, which was refused by the insured on the ground that he wanted the money; and later the company mailed a notice and enclosed an express money order, which was not acknowledged by the insured, who retained the money order until after the property burned, when it was returned to the company by his attorney, there was no waiver by the insured of his right under the policy to receive legal tender for the unearned premium.

Judgment for plaintiff in Hidelgao County Court here affirmed in the Court of Civil Appeals, Texas, San Antonio.

NIAGARA FIRE INS. CO. VS. MITCHELL,

164 Southwestern, 919. (February 25, 1914. Rehearing denied March 18, 1914.)

Digitized by Google

(*Continued from page 378*)

The *North Mississippi Herald* is making an **investigation of the contracts** of some of the larger accident insurance companies for the purpose of making comparisons with rates quoted by numerous companies being organized in Mississippi. The editor, Louis C. Barber, does not believe the new companies are obtaining adequate rates for their contracts.

The **New York State Workmen's Compensation Commission** has selected Frank A. Spencer as its secretary. Mr. Spencer has been secretary of the municipal civil service commission for several years. The commission is searching for a practical insurance man to become manager of the State insurance fund at $5,000 per year.

The conference of **plate glass insurance** underwriters last week resulted in progress toward the acceptance of a schedule of rates and commissions, and also toward the admission of some of the outside companies. The outcome is expected to be a reorganization of the bureau on a stronger basis than ever before.

A Federal Supreme Court decision this week rules that the word law in the Federal employers' liability law of 1908 **refers to Federal statute** and not to State laws, thereby limiting the liability of railroads in cases of violation of law apply only in such cases as are violation of Federal statutes.

The Comptroller of the Currency has approved applications to organize the following **new national banks**: The Farmers' National Bank of Winfield, Iowa, capital $50,000; the Mercantile National Bank of Memphis, Tenn., capital $600,000, to succeed the Mercantile Bank of Memphis.

Associates of **Robert C. L. Hamilton** in the General Accident gave him a handsome silver mounted walrus traveling bag in recognition of his work in the reorganization of the force. Mr. Hamilton has resigned from the company to go with the Hartford Accident and Indemnity.

New **automobile liability rates** for commercial cars went into effect in Greater New York territory on Friday. The advance is from 20 to 40 per cent. over the old rates. Some of the companies had stopped writing the class on account of the bad experience.

Workmen's compensation rates approximately six per cent. above the proposed rates for the Texas Employers' Insurance Association have been approved for the use of stock companies **in Texas.** There will be a protest against the ruling.

The local office of the **Hartford Accident and Indemnity** has been moved to quarters on the ground floor at 100 William Street.

The **constitutionality** of the Ohio workmen's compensation law has been upheld by the Ohio Supreme Court.

Personal.

AGENCY APPOINTMENTS

Berkshire Life: A. M. Wheeler, general agent at Minneapolis, Minn.

Commercial Fire of Washington, D. C.: J. K. Ankele, general agent at San Francisco, Cal., succeeding Arthur C. Thornton.

Connecticut Fire: Frank C. Hatfield, special agent in Arkansas.

Continental: W. G. Ayers, assistant to H. P. Holmes in the western department.

Fidelity Mutual Life: B. R. Plotts, manager for Nebraska, succeeding Fred W. Hesson, transferred to the Pacific Coast.

Fidelity Underwriters: Arthur J. Hughes, special agent for central New York, with headquarters at Syracuse.

Generale and Urbaine of Paris: Charles E. Macomber, special agent for Massachusetts, Rhode Island, Connecticut and a part of the State of New York, with headquarters at Boston.

Liverpool and London and Globe: Ernest A. Matthews, special agent in northern Ohio and northern Indiana.

Manhattan Life of New York: Lewis E. Carr, general agent at Minneapolis, Minn.

New Jersey Fire: Jordan & Norton, of Jacksonville, state agents for Florida.

Northern of New York: Frank C. DelaHunt, special agent for Wisconsin and upper Michigan; Erik Lindskog, special agent for Minnesota.

Pacific Mutual Life: Ernest F. Deacon, general agent at Atlanta, Ga.

Southwestern Surety: A. F. Hill, special agent in the vicinity of the home office.

Sterling Fire: E. R. Granert, Inc., agents for Brooklyn, Long Island, New York suburbs and New Jersey.

Dr. John Benjamin Lewis, medical director of the Travelers of Hartford, died there April 25, after a long illness. He became connected with the company as medical director and head of the claims department in 1868. He was associated with the late Dr. Bombaugh, of Baltimore, in the authorship of the well-known book "Stratagems and Conspiracies to Defraud Life Insurance Companies."

Mr. H. E. Southam has arrived from Perth, Scotland, has been appointed to an important position on the United States staff of the General Accident, Fire and Life Assurance company. Mr. Southam will assist in the workmen's compensation underwriting of the American branch, paying particular attention to the supervision of the statistical features of this class of business.

Mr. Wilfred Garretson, manager of the Pittsburgh office of the General Adjustment Bureau, was given a dinner by insurance men of western Pennsylvania at the Fort Pitt Hotel, there being sixty-two in attendance. Mr. Garretson left on May 1 to assume his new duties in the New York office of the General Adjustment Bureau.

Mr. Dana Pierce, electrical engineer and agent at New York, of Underwriters' Laboratories, Inc., sailed May 2 to England to visit the recently established London office of the Laboratories, which is engaged in the examination and test of electrical and other goods made in England.

Mr. John Napier, who in the course of his business life was successively statistician for the Union Mutual Life of Maine, secretary and actuary of the American Union Life of New York, and the same for the Bankers Life of New York, died at Brooklyn, April 18, aged sixty-four years.

Mr. Henry A. Converse has been elected secretary of the Inter Ocean Casualty of Springfield, Ill., to succeed Mr. Walter A. Orr, who has resigned to enter the printing business. Mr. Converse is a lawyer and has been Assistant United States District Attorney for Springfield.

Mr. B. F. Allen, the founder of the old Hawkeye Fire Insurance Company of Des Moines, and one of the early promoters of the Equitable Life of Iowa, died April 16 at Los Angeles, Cal., aged 83 years. He was at one time a prominent Des Moines financier.

Mr. Oscar O. Brewer, until two years ago for many years treasurer of the Newark Fire, died April 25 at Maplewood, N. J., from heart disease, from which he had suffered for more than a year. He had been with the Newark Fire for forty-five years.

Mr. B. B. Hadfield, superintendent of the underwriting division of the eastern department of the Zurich, has resigned, to take charge of the liability and workmen's compensation department of the brokerage firm of R. A. Corroon & Company.

Mr. Zephor L. Hawkins, an insurance broker of 95 William Street, Manhattan, died April 26 at his home in Brooklyn. He was a veteran of the Twenty-third Regiment and a member of the Union League Club and Invincible Club.

Mr. W. C. Ayres has resigned as Illinois special agent of the Pennsylvania Fire, taking effect May 1, to go with the Continental as assistant to S. P. Holmes in the western farm department. Mr. Ayers was formerly with the Continental.

Mr. C. P. Wofford has resigned as manager of the health and accident department of the Federal Life of Chicago. The department will hereafter be managed by President Hamilton and Superintendent Runnels.

Captain Cunningham Hall, general agent of the Penn Mutual Life at Richmond, Va., died there April 23, aged fifty-five years. He had been a general agent of the company twenty-two years.

Mr. T. W. Appleby has resigned as secretary and actuary of the Federal Life of Chicago and will take a vacation before announcing his future plans. He will probably become a consulting actuary.

Mr. Henry Crossley died April 27 at his home in Caldwell, N. J. He was forty-six years old, and was assistant secretary of the Fidelity and Casualty insurance company of New York.

Mr. George A. Somerville, general manager of the Manufacturers Life of Toronto, Canada, died in that city April 11 after a long illness. He became manager in May, 1907.

Mr. A. W. Gettsinger, recently attorney with Equitable Surety at St. Louis, has accepted a position with the Southwestern Surety at its home office in Denison, Tex.

Digitized by Google

Mr. O. G. Strong has resigned as superintendent of the accident and health, burglary and plate glass departments of the Prudential Casualty of Indianapolis.

Mr. George L. Truitt, special agent for the Travellers in Chicago, has been appointed assistant manager of the liability department of the Chicago branch.

Mr. Fred P. Geibel, of Henderson, Ky., for many years an agent of the Connecticut Mutual Life, died there suddenly April 18, aged 58 years.

President Corwin McDowell of the New England Casualty is on a short pleasure trip abroad.

Miscellany.

METROPOLITAN LIFE INSURANCE COMPANY.

Report on Its Examination by the New York State Insurance Department.

The New York State Insurance Department has published its report of an examination made of the condition of the Metropolitan Life Insurance Company as of December 13, 1912. The statement of the examiners is preceded by a memorandum of the Insurance Superintendent, Mr. Emmet, which is as follows:

When the Metropolitan Life Insurance Company was last examined by this department, Mr. William H. Hotchkiss, who was then the Superintendent of Insurance of New York State, prefaced the publication of his report of examination with a memorandum in which laudatory references were made to the company's activities in several of its departments. Particular stress was laid upon the desirability of encouraging and extending in this country the writing of so-called industrial insurance, for which the Metropolitan Life is chiefly noted. This, I suspect, was a question which had been puzzling Mr. Hotchkiss considerably, as it had the Armstrong Committee a few years before—the question, I mean, of whether private enterprise should be left much longer in control of the business of supplying industrial insurance to the masses on a large scale. My predecessor's memorandum shows that, whatever his original doubts may have been on this point, they were dispelled by the showing which the Metropolitan made under an examination which was searching in the extreme, and which I surmise had in the first instance been undertaken in no spirit of preconceived approval of the company's methods and purposes.

Upwards of three years have passed since that examination was completed, and to-day, notwithstanding the fact that the world is steadily growing more radical in its attitude toward private enterprise as a suitable agency for the accomplishment of quasi-public purposes, this question of permitting organisms like the Metropolitan Life—stock companies, in the management of which, however, policyholders have certain rights—to continue to supply the great social service of providing industrial insurance to the masses unchalleneged by interference or competition from the State itself, is not being agitated to anything like the extent it was three years ago. In other fields, the socialistic ideal of State control has during this time been making large headway, while in this field it has shown a distinct tendency to abate. If this means anything, it means that in the field of industrial insurance, however it may be in other directions, private enterprise has been

SPLENDIDLY JUSTIFYING ITSELF

by its works. Upon no other ground is it possible now for private enterprise in any quasi-public field to escape the challenge of the new spirit that is abroad in the land.

The fact is, the history and achievements during the last decade of the Metropolitan Life and of one or two other of our large life insurance companies, present such shining examples of efficient and enlightened business management—with in some cases a dash of statesmanship thrown in—that it seems to me to be quite as much the duty of a supervisory official, when an appropriate occasion arises, to comment favorably upon such cases of successful public service by business corporations under private control, as it would be his duty under present conditions to administer sharp criticism if the tendency had been in the other direction. In the case of the Metropolitan Life, the responsibilities of the company's management are shared by its comparatively small number of stockholders and its army of ordinary policyholders—under charter provisions designed to bring about this happy union in a practicable manner. Precisely what the basis of this partnership between stockholders and policyholders is need not be gone into here. It is no part of the work of the Insurance Department to settle questions which from time to time arise over the legal meaning of charter provisions. That is a function reserved, under our laws, to the courts. It is with

THE RESULTS ACHIEVED

under such a system as the Metropolitan has, rather than with its exact legal character, that we are now concerned. I simply call attention, therefore, to the interesting fact that at each annual election of directors certain of the ordinary policyholders and the stockholders of this company have the right to vote, under charter provisions which so far modify the procedure of strictly stock corporations as to constitute at least a substantial recognition of the theoretical advantages of the mutual idea, without at the same time involving a complete abandonment of those fundamental virtues which reside in the system of stock ownership. In the evolution of modern business the potentialities of such a plan of organization as the Metropolitan follows are deserving, I think, of very serious consideration.

The administrative officers of the company whose directors are chosen in the manner I have mentioned, seem to me not to have approached their task with any bias in favor of stockholders as against policyholders, or the reverse—as might very well have been the case if one or the other of these elements had been in complete control of the company. Rather they have shown a desire to harmonize the interests of both elements for the general good of the organization. In this they have been very successful. They have so increased the assets of the company as to make these equal the resources of many States and even nations. They have at the same time steadily cheapened the cost of insurance to policyholders, both by direct means and by the distribution of bonuses. They have extended the company's business to such an extent as to bring it into contact now with approximately one-eighth of the population of the entire United States. That this notable growth has involved no sacrifice of efficiency in the handling of administrative details, but on the contrary has been the direct result of constantly increasing efficiency, is shown by the comparatively small losses sustained by the company in proportion to the large investments made, by the high earning power of the company's securities, and by the steady decrease which has been taking place in the percentage of managerial expenses to the company's premium income. The fact that the percentage of lapses due to the abandonment of their insurance by policyholders is constantly decreasing, speaks eloquently to the same effect. This last-mentioned development is perhaps the most convincing evidence which could be offered that the company's policyholders are, broadly speaking, very well satisfied indeed with what they get in return for the premiums they pay.

A VERY REMARKABLE SHOWING

altogether. It is very largely explained, it seems to me, by the fact that those in control of these great companies realize to-day that such institutions must shoulder responsibilities to the community at large of a somewhat different order from those which confronted them when they were engaged in business in only a small way, and that the affairs of such companies simply cannot be administered in a spirit which takes only the business side of things into account. This fundamental change in attitude on the part of great business institutions which have come up from small beginnings need not, it seems, be accompanied by any actual changes in the legal status or character of such organizations. In the case of the Metropolitan there have been no vital changes in the company's corporate character for many years. Under its system of joint control by stockholders and ordinary policyholders, it has been able very effectively to rise to the occasion and to bring about all the changes in its methods of doing business which a continuous growth has from time to time necessitated.

It is difficult to see how, if the burden of the administration of such institution as this had during the past twenty years been upon the shoulders of the public, the institution could have been made a particle more responsive than it is to the constantly changing requirements of our time. If the men in charge of such a company grow reactionary in their tendencies, or blind to the social progress of the age, the movement toward an absorption of their powers by the State itself will, as matters stand, proceed very rapidly. But in the case of the company under consideration there has been such a frank and fearless recognition of its new responsibilities that it is easy enough, after all, to understand how it has happened that in the field of industrial insurance the movement toward State operation and ownership has experienced a set-back. Having very promptly recognized what the public may rightfully require from institutions engaged in the

Digitized by Google

industrial insurance business—having in fact been largely instrumental in educating the public to a full realization of what it might rightfully require—this company waited for no changes in existing law before striking out as a

PIONEER AMONG INSURANCE COMPANIES

along the pathway of social service on a huge scale. The report of the examination which has just been completed shows the extent and ramifications of these departures. The many admirable things which have been accomplished for policyholders and employees during the past decade, are set forth in considerable detail in the following pages. Leaving out of consideration the mere numbers of those who have been directly benefited by these activities, I think that the example which the Metropolitan has set to other great business organizations by its early recognition of the new responsibilities attaching to all business enterprises which have attained a certain size, is one of the most beneficial of recent occurrences in the field of American business. In carrying out some of its remarkable projects of social betterment, like the establishment of its tuberculosis sanitorium for the home office and field employees of the company, it has had to overcome many obstacles, even to the extent of invoking court aid to enable it to proceed. Fortunately our court of last resort in New York was progressive minded enough not to withhold its assistance in this worthy enterprise. The tuberculosis sanitorium is now an accomplished fact. But for years before this happened, the company had, by means of educational literature distributed on a gigantic scale, been waging effective

WARFARE AGAINST THE DREAD EVIL OF TUBERCULOSIS.

For years it has through its publications upon the question of health conservation been serving multitudes of people as a sort of university of beneficial instruction upon this most important subject. For years it has maintained for its policyholders a nursing service upon a great scale; this has latterly become a veritable marvel of efficiency and practical helpfulness. I have mentioned only a few of the things the company has been doing in the field of social service, but I think that these will sufficiently show the extent to which this institution has recognized the modern truth that organized wealth under private management must, if it is going to be allowed to exist at all, assume certain public responsibilities which were not dreamed of under any of the old philosophies.

Now as to my purpose in dwelling upon these matters in a memorandum like this. It is not, let me hasten to say, primarily for the purpose of praising the Metropolitan Life or its present management that I mention them. It simply happens that this great institution—having so very recently been under our critical scrutiny, and presenting so many admirable illustrations of what an efficient and enlightened modern business organization on a large scale can do in the way of keeping abreast of modern thought—seems to be in a position where I may properly use it as an illustration of the particular point I had in mind when I decided to prepare this preface to the report of my examiners. My point is, of course, that private initiative and enterprise are at their best still

CAPABLE OF DOING THE FINEST POSSIBLE WORK

in fields from which, latterly, all the talk has been that these agencies should be compelled to retire. Those of us who have been more or less closely connected during the past few years with the work of the State are in a position to realize better perhaps than many others are, the strength of the tide that is setting nowadays in the direction of what is commonly called Socialism—by which I mean, of course, the taking over by the State at the earliest possible moment of nearly every form of productive activity.

We have been in a position, too, where we could plainly see some of the evils which creep very insidiously into all public administration of large and complicated affairs. Upon me the effect of the experience has been to make me disinclined to see the movement toward State omnipotence proceed a bit faster than it has to. Rather would I see the people pause every now and then before such an example of private enterprise as we are here considering, and consider soberly whether, in the long run, good is going to come from substituting political administration in place of the kind of private administration which can apparently be secured for such companies nowadays—and which can be safeguarded, of course, to any extent the State may desire by a system of efficient governmental supervision. The Metropolitan Life is only one of several great insurance organisms of which substantially the same things which I have said with particular reference to this one company might be said generally. The Metropolitan Life is by no means a unique example among business institutions, or even among insurance companies, of modern and enlightened business management. Institutions like this constitute the most effective barriers we have to-day against the too rapid spread of socialistic ideas; and that is why, with so shining an example at hand, I—who believe in making haste slowly in the field of political evolution, even to the extent of putting on the brakes occasionally—have not been able to resist the temptation of pointing specifically to it in proof of what private enterprise is capable of accomplishing for the public good in the insurance field.

W. T. EMMET,
Superintendent of Insurance.

The Department Chief Examiner, Mr. Hadley, states that this examination of the company shows the condition of its affairs December 31, 1912, the last preceding examination having been for December 31, 1909. The following summary gives general results:

In the three years, the ledger assets of the company have increased from $269,971,968.85 to $387,194,388.69; its reserve liability from $237,213,384 to $348,506,939. In the same period, the number of policies has grown from—Ordinary, 736,472; Industrial, 9,885,207; total, 10,621,679,—to Ordinary, 1,009,623; Industrial, 11,827,419; total, 12,837,042. Similar figures for insurance in force are: 1909—Ordinary, $606,703,701; Industrial, $1,435,247,999; total, $2,041,951,700. 1912—Ordinary, $910,263,864; Industrial, $1,094,702,238; total, $2,604,966,102.

On December 31, 1912, the company had in its service 3,565 clerks at the home office and some 11,434 superintendents, assistants and agents in the field, including the Pacific Coast. There were some 120 employees at the Pacific Coast head office and some 400 agents in its territory. The agency work is divided into districts. Including the Pacific Coast head office, there were 413 district offices, and, in addition, 385 detached assistants' offices. Nine thousand six hundred and thirty-one agents reported through the districts of the home office, in addition to the 400 odd agents of the Pacific Coast head office. Each agent is required to submit weekly reports for industrial, intermediate and ordinary business. These reports are forwarded to the home office weekly by the district superintendent or assistant, and proper entries therefrom made in the home office records.

In addition to the large amount of ordinary and intermediate business transacted, there are in the industrial department from 35,000 to 40,000 policies issued weekly. The applications are turned over to the medical examiners from the local offices and forwarded by the examiners to the home office, where they are examined and passed upon by the home office medical department.

In the case of accepted applications, policies are written, accounting entries made and the policies sent out to be delivered through the local office and its agents to the insured. An average of 550 death claims are handled at the home office daily, the greater part of same being paid the day completed proofs are received.

The industrial policies are weekly premium payment policies. A record must be kept of the issues, terminations and weekly collections of premiums, etc., on all of the 12,000,000 policies in force. In addition to the above, there are constant changes, transfers from district to district, surrender of policies for cash paid up, etc., all requiring action and record at the home office.

Touching the organization methods of the company, the examiner says:

Since April 22, 1902, the right to vote has been extended to policyholders whose policies have been a year or more in force.

At the annual meeting held April 2, 1913, there were cast for the election of directors 217,729 votes. Of these, 75,683 votes were those cast as stockholders, and 142,046 by policyholders.

The board of directors meets monthly or oftener on special call. The board has two standing committees, appointed by the president with its concurrence, namely: Finance, consisting of six members; and Auditing, consisting of three members. These committees, and also the board of directors, each keep records of their proceedings. The standing committees meet at the call of the president, and, in addition, may prescribe stated meetings.

For the purposes of examination it was necessary to divide the business into three parts: ordinary, intermediate, and industrial. Examiners were also detailed to San Francisco to examine the accounts of the Pacific Coast head office.

After presenting the financial statement as prepared from the results of the examination, the report discusses the affairs of the company under the heads of income, disbursements, assets, liabilities, real estate reserves, terminations, bonuses, policy contract, welfare work (which includes nursery service, health publications and tuberculosis sanatorium), staff savings fund,

Digitized by Google

field organization, Pacific Coast head office and gain and loss exhibit. The conclusions of Chief Examiner Hadley are as follows:

This examination shows that this company is efficiently managed, that its financial condition is good and that its reserves are ample. It promptly carries out its obligations to its policyholders in a liberal manner. The company has a first-class organization. The management and agency force are devoted to the welfare of the company and its policyholders.

The treatment by this company of its policyholders in the prompt payment of their claims, in the voluntary payment of millions of dollars in bonuses, and in its social welfare work—both in education and in the free nursing service—are features of the company's business which deserve commendation. The tuberculosis sanatorium for the benefit of thousands of employees of the company, the staff savings fund, whereby it encourages thrift among its employees, and other ways in which it cares for its employees, all impressed your examiners with the advanced position this company has taken in this class of work. These facts, together with the further fact that all policyholders of the company whose policies have been in force for one full year are entitled to vote for members of the board of directors, safeguarded the future welfare of the organization.

The United States Supreme Court Decision in the Kansas State Fire Insurance Rating Case.

We present herewith the more essential portions of the United States Supreme Court decision in the case of the German Alliance Insurance Company, appellant, against Ike Lewis, as Superintendent of Insurance of the State of Kansas, appealed from the United States Circuit Court for the District of Kansas, the majority and minority opinions covering some 12,000 words. The members of the Supreme Court who constituted the majority were Justices McKenna, Holmes, Day, Hughes and Pitney, and those of the minority were Chief Justice White and Justices Van Devanter and Lamar. Justice Lurton did not take part in the case.

The majority opinion gave at considerable length a summary of the State rate making law, to which the complainant objected, and the points offered by counsel for both sides in their arguments before the court. The declaration of the complainant upon which his contentions were based was that the business of insurance is a purely and exclusively private business; that the amount of indemnity and premium is a matter of private negotiation and agreement and that the act of the legislature of Kansas attempting to regulate the business so far as the rate of premiums is concerned is contrary to the Fourteenth Amendment to the Constitution of the United States, and is therefore unconstitutional and void.

In delivering the opinion of the majority of the court Justice McKenna, after a prelude, said:

We may put aside, therefore, all merely adventitious considerations and come to the bare and essential one, whether a contract of fire insurance is private and as such has constitutional immunity from regulation. Or, to state it differently and to express an antithetical proposition, is the business of insurance so far affected with a public interest as to justify legislative regulation of its rates? And we mean a broad and definite public interest. In some degree the public interest is concerned in every transaction between men, the sum of the transactions constituting the activities of life. But there is something more special than this, something of more definite consequence, which makes the public interest that justifies regulatory legislation. We can best explain by examples. The transportation of property—business of common carriers—is obviously of public concern and its regulation is an accepted governmental power. The transmission of intelligence is of cognate character. There are other utilities which are denominated public, such as the furnishing of water and light, including in the latter gas and electricity. We do not hesitate at their regulation nor of the fixing of the prices which may be charged for their service. The basis of the ready concession of the power of regulation is the public interest. This is not denied, but its application to insurance is so far denied as not to extend to the fixing of rates. It is said the State has no power to fix the rates charged to the public by either corporations or individuals engaged in a private business, and the "test of whether the use is public or not is whether a public trust is imposed upon the property and whether the public has a legal right to the use which cannot be denied"; or, as we have said, quoting counsel, "Where the right to demand and receive service does not exist in the public, the correlative right of regulation as to rates and charges does not exist." Cases are cited which, it must be admitted, support the contention. The distinction is artificial. It is, indeed, but the assertion that the cited examples embrace all cases of public interest. The complainant explicitly so contends, urging that the test it applies excludes the idea that there can be a public interest which gives the power of regulation as distinct from a public use which, necessarily, it is contended, can only apply to property, not to personal contracts. The distinction, we think, has no basis in principle (Noble State Bank vs. Haskell, 219 U. S., 104), nor has the other contention that the service which cannot be demanded cannot be regulated.

The Justice then quoted from some opinions bearing upon this point, and continuing, said:

The cases need no explanatory or fortifying comment. They demonstrate that a business, by circumstances and its nature, may rise from private to be of public concern and be subject, in consequence, to governmental regulation. And they demonstrate, to apply the language of Judge Andrews in the Budd case (117 N. Y., 27), that the attempts made to place the right of public regulation in the cases in which it has been exerted, and of which we have given examples, upon the ground of special privilege conferred by the public on those affected cannot be supported. "The underlying principle is that business of certain kinds holds such a peculiar relation to the public interest that there is superinduced upon it the right of public regulation." Is the business of insurance within the principle? It would be a bold thing to say that the principle is fixed, inelastic, in the precedents of the past and cannot be applied though modern economic conditions may make necessary or beneficial its application. In other words, to say that government possessed at one time a greater power to recognize the public interest in a business and its regulation to promote the general welfare than government possesses to-day. We proceed, then, to consider whether the business of insurance is within the principle.

CHARACTER OF THE FIRE INSURANCE CONTRACT

A contract for fire insurance is one for indemnity against loss and is personal. The admission, however, does not take us far in the solution of the question presented. Its personal character certainly does not of itself preclude regulation, for there are many examples of governmental regulation of personal contracts, and in the statutes of every State in the Union superintendence and control over the business of insurance are exercised, varying in details and extent. We need not particularize in detail. We need only say that there was quite early (in Massachusetts, 1837, New York, 1853), State provision for what is known as the unearned premium fund or reserve; then came the limitation of dividends, the publishing of accounts, valued policies, standards of policies, prescribing investment, requiring deposits in money or bonds, confining the business to corporations, preventing discrimination in rates, limitation of risks and other regulations equally restrictive. In other words, the State has stepped in and imposed conditions upon the companies, restraining the absolute liberty which business strictly private are permitted to exercise.

Those regulations exhibit it to the conception of the law-making bodies of the country without exception that the business of insurance so far affects the public welfare as to invoke and require governmental regulation. A conception so general cannot be without cause. The universal sense of a people cannot be accidental; its persistence saves it from the charge of unconsidered impulse, and its estimate of insurance certainly has substantial basis. Accidental fires are inevitable and the extent of loss very great. The effect of insurance—indeed, it has been said to be its fundamental object—is to distribute the loss over as wide an area as possible. In other words, the loss is spread over the country, the disaster to an individual is shared by many, the disaster to a community shared by other communities; great catastrophes are thereby lessened, and, it may be, repaired. In assimilation of insurance to a tax, the companies have been said to be the mere machinery by which the inevitable losses by fire are distributed so as to fall as lightly as possible on the public at large, the body of the insured, not the companies, paying the tax. Their efficiency, therefore, and solvency are of great concern. The other objects, direct and indirect, of insurance we need not mention. Indeed, it may be enough to say, without

Digitized by Google

stating other effects of insurance, that a large part of the country's wealth, subject to uncertainty of loss through fire, is protected by insurance. This demonstrates the interest of the public in it, and we need not dispute with the economists that this is the result of the "substitution of certain for uncertain loss" or the diffusion of positive loss over a large group of persons, as we have already said to be certainly one of its effects. We can see, therefore, how it has come to be considered a matter of public concern to regulate it, and governmental insurance has its advocates and even examples. Contracts of insurance, therefore, have greater public consequence than contracts between individuals to do or not to do a particular thing whose effect stops with the individuals. We may say in passing that when the effect goes beyond that, there are many examples of regulation. Holding vs. Hardy, 169 U. S., 366; Griffith vs. Connecticut, 218 U. S., 563; Muller vs. Oregon, 208 U. S., 412; Mutual Loan Co. vs. Martel, 222 U. S., 225; Schmidinger vs. Chicago, 226 U. S., 578; Chicago, Burlington and Quincy R. R. Co. vs. Maguire, 219 U. S., 549; Noble State Bank vs. Haskell et al., 219 U. S. 104. * * *

THE RESTRICTIONS UPON THE LEGISLATIVE POWER

which complainant urges we have discussed, or rather the considerations which take, it is contended, the business of insurance outside of the sphere of the power. To the contention that the business is private we have opposed the conception of the public interest. We have shown that the business of insurance has very definite characteristics, with a reach of influence and consequence beyond and different from that of the ordinary businesses of the commercial world, to pursue which a greater liberty may be asserted. The transactions of the latter are independent and individual, terminating in their effect with the instances. The contracts of insurance may be said to be interdependent. They cannot be regarded singly, or isolatedly, and the effect of their relation is to create a fund of assurance and credit, the companies becoming the depositories of the money of the insured, possessing great power thereby and charged with great responsibility. How necessary their solvency is, is manifest. On the other hand, to the insured, insurance is an asset, a basis of credit. It is practically a necessity to business activity and enterprise. It is, therefore, essentially different from ordinary commercial transactions, and, as we have seen, according to the sense of the world from the earliest times—certainly the sense of the modern world—is of the greatest public concern. It is, therefore, within the principle we have announced.

But it is said that the reasoning of the opinion has the broad reach of subjecting to regulation every act of human endeavor and the price of every article of human use. We might, without much concern, leave our discussion to take care of itself against such misunderstanding or deductions. The principle we apply is definite and old and has, as we have pointed out, illustrating examples. And both by the expression of the principle and the citation of the examples we have tried to confine our decision to the regulation of the business of insurance, it having become "clothed with a public interest," and therefore subject "to be controlled by the public for the common good."

If there may be controversy as to the business having such character, there can be no controversy as to what follows from such character if it be established. It is idle, therefore, to debate whether the liberty of contract guaranteed by the Constitution of the United States is more intimately involved in price regulation than in the other forms of regulation as to the validity of which there is no dispute. The order of their enactment certainly cannot be considered an element in their legality. It would be very rudimentary to say that measures of government are determined by circumstances, by the presence or imminence of conditions, and of the legislative judgment of the means or the policy of removing or preventing them.

THE POWER TO REGULATE INTERSTATE COMMERCE

existed for a century before the interstate commerce act was passed, and the commission constituted by it was not given authority to fix rates until some years afterward. Of the agencies which those measures were enacted to regulate at the time of the creation of the power there was no prophecy or conception. Nor was regulation immediate upon their existence. It was exerted only when the size, number and influence of those agencies had so increased and developed as to seem to make it imperative. Other illustrations readily occur which repel the intimation that the inactivity of a power, however prolonged, militates against its legality when it is exercised. United States vs. Delaware and Hudson Co., 213 U. S., 366. It is oftener the existence of necessity rather than the prescience of it which dictates legislation. And so with the regulations of the business of insurance. They have proceeded step by step, differing in different jurisdictions. If we are brought to a comparison of them in relation to the power of government, how can it be said that fixing the price of insurance is beyond that power and the other instances of regulation are not? How can it be said that the right to engage in the business is a natural one when it can be denied to individuals and permitted to corporations? How can it be said to have the privilege of a private business when its dividends are restricted, its investments controlled, the form and extent of its contracts prescribed, discriminations in its rates denied and a limitation on its risks imposed? Are not such regulations restraints upon the exercise of the personal right—asserted to be fundamental—of dealing with property freely or engaging in what contracts one may choose and with whom and upon what terms one may choose?

We may venture to observe that the price of insurance is not fixed over the counters of the companies by what Adam Smith calls the higgling of the market, but formed in the councils of the underwriters, promulgated in schedules of practically controlling constancy, which the applicant for insurance is powerless to oppose and which, therefore, has led to the assertion that the business of insurance is of monopolistic character and that "it is illusory to speak of a liberty of contract." It is in the alternative presented of accepting the rates of the companies or refraining from insurance, business necessity impelling if not compelling it, that we may discover the inducement of the Kansas statute, and the problem presented is whether the legislature could regard it of as much moment to the public that they who seek insurance should no more be constrained by arbitrary terms than they who seek transportation by railroads, steam or street, or by coaches whose itinerary may be only a few city blocks, or who seek the use of grain elevators, or be secured in a night's accommodation at a wayside inn, or in the weight of a five-cent loaf of bread. We do not say this to belittle such rights or to exaggerate the effect of insurance, but to exhibit the principle which exists in all and brings all under the same governmental power.

We have summarized the provisions of the Kansas statute, and it will be observed from them that they attempt to systematize the control of insurance. The statute seeks to secure rates which shall be reasonable both to the insurer and the insured, and as a means to this end prescribes equality of charges, forbids initial discrimination or subsequently by the refund of a portion of the rates, or the extension to the insured of any privilege; to this end it requires publicity in the basic schedules and of all the conditions which affect the rates or the value of the insurance to the insured, and also adherence to the rates as published. Whether the requirements are necessary to the purpose, or—to confine ourselves to that which is under review—whether rate regulation is necessary to the purpose, is a matter for legislative judgment, not judicial. Our function is only to determine the existence of power.

In pronouncing "decree affirmed" Justice McKenna alluded to the objection made by the complainant that the Kansas statute excludes from its provisions farmers' mutual companies, insuring only farm property, and held that there are differences between stock and mutual companies which the legislature had the constitutional power to recognize.

THE DISSENTING OPINION.

Justice Lamar read the dissenting opinion of the minority of the court, saying:

I dissent from the decision and the reasoning upon which it is based. The case does not deal with a statute affecting the safety or morals of the public. It presents no question of monopoly in a prime necessity of life, but relates solely to the power of the State to fix the price of a strictly personal contract. The court holds that fire insurance, though personal, is affected with a public interest and therefore that the business may not only be regulated, but that the premium or price to be paid to the insurer for entering into that personal contract can be fixed by law.

The fixing of the price for the use of private property is as much a taking as though the fee itself had been condemned for a lump sum—that taking, whether by fixing rates for the use or by paying a lump sum for the fee, has always heretofore been thought to be permissible only when it was for a public use. But the court in this case holds that there is no distinction between the power to take for public use and the power to regulate the exercise of private rights for the public good. That is the fundamental proposition on which the case must stand, and the decision must therefore be considered in the light of that ruling and of the results which must necessarily flow from the future application of that principle. For if the power to regulate, in the

Digitized by Google

interest of the public, comprehends what is intended in the power to take property for public use, it must inevitably follow that the price to be paid for any service or the use of any property can be regulated by the General Assembly. This is so because the power of regulation is all-pervading, as witness the statute of frauds, the recording acts, weight and measure laws, pure food laws, hours of service laws, and innumerable other enactments of that class. And if this power be as extensive as is now, for the first time, decided, then the citizen holds his property and his individual right of contract and of labor under legislative favor rather than under constitutional guaranty. The principle is applied here to the case of insurance; but the nature of that business and the intangible character of its contracts are such as to indicate the far-reaching effect of the principle announced, and warrants a statement of some of the grounds of dissent.

Insurance is not production; nor manufacture; nor transportation; nor merchandise. And this court in N. Y. Life Co. vs. Deer Lodge Co., at the present term, reaffirmed its previous rulings that "insurance is not commerce," "not an instrumentality of commerce," "not a transaction of commerce," "but simply contracts of indemnity against loss by fire." Such a contract is personal and in the State whose statute is under consideration, insurance companies are classed among those "strictly private" (Leavenworth vs. Miller, 7 Kans., 520). The fact that insurance is a strictly private and a personal contract of indemnity puts it on the extreme outside limit and removes it as far as any business can be from those that are in their nature public. So that if the price of a private and personal contract of indemnity can be regulated—if the price of a chose in action can be fixed—then the price of everything within the circle of business transactions can be regulated. Considering, therefore, the nature of the subject treated and the reasoning on which the court's opinion is based, it is evident that the decision is not a mere entering wedge, but reaches the end from the beginning and announces a principle which points inevitably to the conclusion that the price of every article sold and the price of every service offered can be regulated by statute.

After quoting English precedent, the Justice said:

But it may be said that, though insurance is a contract of indemnity and personal, its personal character has not been thought to preclude the many regulatory measures adopted and sustained during the past hundred years.

This is most freely conceded. But it is equally true that the failure for more than 100 years to attempt to fix the rates of insurance is indubitable evidence of the general public and legislative conception that the business of insurance did not belong to the class whose rates could be fixed. That settled usage is not an accident. For rate-making is no new thing, and neither is insurance. Its use in protecting the owner of property against loss; its value as collateral in securing loans; its method of averages and distributing the risk between many persons widely separated and all contributing small premiums in return for the promise of a large indemnity, has been known for centuries. All these considerations were recently pressed upon the court in an effort to secure a ruling that insurance was commerce. In refusing to accede to the sufficiency of the argument the court in the Deer Lodge case pointed out that the size of the business of insurance did not change the inherent nature of the business itself, saying that "the number of transactions do not give the business any other character than magnitude."

The character of insurance, therefore, as a private and personal contract of indemnity has not been changed by its magnitude or by the fact that more policies and for greater amounts are now written than in the centuries during which no effort has ever before been made to fix their rates. It is, however, undoubtedly true that during all of that period *regulatory statutes* were, from time to time, adopted to protect the public against conditions and practices which were subject to regulation. The public had no means of knowing whether these corporations were solvent or not, and statutes were passed to require a publication of the financial condition. The policies were long and complicated, with exceptions, and qualifications, and provisos. They were often unread by the policyholder and sometimes not understood when read. Statutes were accordingly passed providing for a standard form of policy in order to protect the assured against his inexperience, to prevent hard bargains, and to avoid vexatious litigation, and as similar evils appear they may be dealt with by regulatory or prohibitory legislation just as statutes were passed and can still be passed to punish combinations, pooling arrangements, and all those practices which amount to unfair competition.

But these and those referred to in Attorney General vs. Firemen's Insurance Co., 74 N. J. E., 372, furnish instances of the exercise of this power to regulate which can be exerted against any person, trade or business, no matter great or small. This power to regulate is so much oftener exerted against the large business, because the evils are then more apparent, that the size of the business and the number of persons interested is sometimes referred to as indicating that the business is affected with a public interest. But there is no such limitation. For

THE POWER TO REGULATE

is the essential power of government, which can be exerted against the whole body of the public or the smallest business. And if, as seems to be implied, the fact that a business may be regulated is to be the test of the power to fix rates, it would follow, since all can be regulated, the price charged by all can be regulated. Or if great size is the test, if the number of customers is the test, if the scope of the business throughout the nation is the test, if the contributions of the many to the value of the business is the test—or if it takes a combination of all to meet the condition—then every business with great capital and many customers distributed throughout the country and making a large business possible, must be treated as affected with a public interest, and the price of the goods on its shelves can be fixed by law. Then could the price of newspapers, magazines and the like be fixed, because certainly nothing is more affected with a public interest, nothing is so dependent on the public, nothing reaches so many persons and so profoundly affects public thought and public business. Such a business is, indeed, affected with a public interest—justifying regulation (Lewis vs. Morgan, 229 U. S., 288), but not the fixing of the price of the paper or periodical or the rates of advertising. For great and pervasive as is the power to regulate, it cannot override the constitutional principle that private property cannot be taken for private purposes (Missouri Pacific vs. Nebraska, 164 U. S., 403). That limitation on the power of government over the individual and his property cannot be avoided by calling an unlawful taking a reasonable regulation. Indeed, the protection of property is an incident of the more fundamental and important right of liberty guaranteed by the Constitution and which entitled the citizen freely to engage in any honest calling and to make contracts as buyer or seller, as employer or employee, in order to support himself and family.

It is said, however, that the validity of rates statutes has often been recognized, notably in the Munn case (94 U. S., 125), where a statute was sustained which regulated the price to be charged for storing grain in elevators.

The court discussed the Munn case at some length and then said:

But it is said that business is the fundamental thing with the property but an instrument, and that there is no basis for the distinction between a public interest and a public use. But there is a distinction between a public interest—justifying regulation—and a public use—justifying price fixing. "Public interest and public use are not synonymous" (In re Niagara Falls R. R., 138 N. Y., 385). And since the case here involves the validity of a Kansas statute, it is well to note that the Supreme Court of that State in Howard vs. Schwartz, 77 Kans., 689, recognizes that there is a difference and adjudges accordingly. It there cited numerous decisions from other States, and in defining a public use made the following quotation from the opinion of the Supreme Court of Maine:

"'Property is devoted to a public use when, and only when, . . . all the public has a right to demand and share in'" it ". . . In a broad sense it is the right in the public to an actual use, and not to an incidental benefit."

The effect of the difference between public use and public interest appears from the application; for the Supreme Court of Kansas, on the authority of this and numerous other cases, held that a steam flour mill was not such a public use as would authorize its owners to exercise the power of eminent domain, though it was "a useful and important business instrumentality which contributed to the growth and development of the locality where the [mills] are situated. This may also be said, however, of every legitimate business. To a limited extent every honest industry adds to the general sum of prosperity and promotes the public welfare."

Nothing more can be said of insurance—nor can the power to take the private property of insurers, by fixing rates, be enlarged by a legislative declaration that the business is affected with a broad and definite public interest. For since

THE CONTRACT OF INSURANCE IS PRIVATE AND PERSONAL,

it is almost a contradiction in terms to say that the private contract is public or that a business which consists in making such private contracts is public in the constitutional sense. The

Digitized by Google

fundamental idea of a public business, as well declared by the Supreme Court of Kansas, 77 Kans., 608, is that "all of the public have a right to demand and share in it." That means that each member of the public on demand and upon equal terms, without written contract, without haggling as to terms, may demand the public service, and secure the use of the facility devoted to public use. If the company can make distinctions and serve one and refuse to serve another, the business *ex vi termini* is not public. The common carrier has no right to refuse to haul a passenger even if he has been convicted of arson. But if an insurance company is indeed public, it is bound to insure the property of the man who is suspected of having set fire to his own house, or whose statements of value it is unwilling to take. This is manifestly inconsistent with the contract of insurance which requires the utmost good faith, not only in making truthful answers to questions asked, but in not concealing anything material to the risk. If the company has the discretion to insure or the right to refuse to insure, then, by the very definition of the terms, it is not a public business. If, on the other hand, the company is obliged to insure bad risks or the property of men of bad character, of doubtful veracity or known to be careless in their handling of property, the law would be an arbitrary exertion of power in compelling men to enter into contract with persons with whom they did not choose to deal where confidence is the very foundation of a contract of indemnity. Indeed, it seems to be conceded that a person owning property is not entitled to demand insurance as a matter of right. If not, the business is not public and not within the provision of the Constitution which only authorizes the taking of property for public purposes—whether the taking be of the fee for a lump sum assessed in condemnation proceedings or whether the use be taken by rate-regulation, which is but another method of exercising the same power. The suggestion that the public interest is found in the characteristics of the business of insurance justifies

A BRIEF EXAMINATION

of those characteristics and a statement of the results that logically must follow from such a test. For if the power is to develop out of the characteristics, it must necessarily follow that other occupations, having similar characteristics, must be subject to the same rate-regulating power.

The elements which are said to show that insurance is affected with a public interest do not arise out of the size of any one company, but out of the volume of the aggregate business of all the companies doing business within the State and beyond its borders. If that test be applied, and if the sum of the units is to determine whether or not a business is affected with a public interest (which is said to be the equivalent of a public use), then if the principle of the decision be applied to the business of farming, all can see to what it leads. In view of the amount of property employed and the aggregate number of persons engaged in agriculture and the public's absolute dependence upon that pursuit, it would follow that, farming being affected with a broad and definite public interest, the price of wheat and corn; cotton and wools; beef, pork, mutton and poultry; fruit and vegetables, could be fixed. Or if we take the aggregate of those who labor and consider the public's absolute dependence upon labor, it would inevitably follow that it, too, was affected with a broad and definite public interest and that wages in the United States of America in this twentieth century could be fixed by law, just as in England between the fourteenth and eighteenth centuries. And inasmuch as the prices of agricultural products are dependent on the price of land and labor, and as the price of labor is closely related to the cost of rent and food and clothes and the comforts of life, there would be the power to take the further step and regulate the cost of everything which enters into the cost of living. Of course, it goes without saying that if the rates for fire insurance can be fixed, then the rates for life and marine insurance can be fixed. By a parity of reasoning the rates of accident, guaranty and fidelity insurance could also be regulated. There seems no escape from the conclusion that the asserted power to fix the price to be paid by one private person to another private person or private corporation for a private contract of indemnity, or for his product, or his labor, or for his private contracts of any sort, will become the center of a circle of price-making legislation that, in its application, will destroy the right of private property and break down the barriers which the Constitution has thrown around the citizen to protect him in his right of property—which includes his right of contract to make property, his right to fix the price at which his property shall be used by another. By virtue of the liberty which is guaranteed by the Constitution, he also has the right to name the wage for his labor and to fix the terms of contracts of indemnity—whether they be contracts of endorsement or suretyship, or contracts of indemnity against loss by fire, flood or accident.

Justice Lamar cited the titles of a number of cases in which the statutes fixing prices were held to be void. In concluding the opinion he said:

The act now under review not only takes property without due process of law, but it unequally and arbitrarily selects those from which such property shall be taken by price fixing. Although including all other fire insurance companies, it excepts certain mutual insurance companies. *Persons* engaged in doing an insurance business are not within its terms. In Kansas, the right to do a fire insurance business is not limited to corporations, but may be conducted by persons, individuals, partners, companies and associations, whether incorporated or not (General Statutes of Kansas (1909), Secs. 4086, 4091, 4122). And if it could be true that the legislature could fix the price of insurance, it would seem to be doubly necessary that all doing an insurance business should be treated alike. There is no difference in principle and none by statute in the character of the contract, whether it is made by one man, or the Lloyds, or a corporation. There is no difference in the character of the contract made by a stock company and a mutual company. In each instance the contract is one of indemnity against loss for a fixed premium. If the policyholder is a stockholder in an ordinary corporation, he may get back some of his premium by way of dividends; if he is a member of a mutual company, he pays his premium and gets back his share of the earnings. But to say that the State may fix the price to be charged for insurance by a stock company and that it will not fix the price to be charged by mutual companies or by the Lloyds, who do an enormous business of exactly the same nature on exactly the same sort of property and on exactly the same terms, is to make a discrimination which amounts to a denial of the equal protection of the law.

The Chief Justice and Justice Van Devanter concurred in this dissent.

Insurance Legislation.

District of Columbia.

WASHINGTON, April 26.—The District Commissioners have approved a bill for the amendments of the insurance laws governing the District and have requested the House to make it into law. The bill gives the insurance superintendent much greater power than heretofore and contains most of the best features of the insurance codes of the States.

Massachusetts.

BOSTON, April 28.—Engrossed by the House:

Senate Bill 456, relating to reinsurance in unadmitted companies.

Engrossed by the Senate:

House Bill 1123, relating to the payment of casualty insurance losses.

The Judiciary committee has submitted House Bill 2524, being general amendments to the workmen's compensation law, tending to enlarge the benefits without changing the premiums. The bill is before the ways and means committee.

Senate Bill 443, to require the separation of insurance and investment accounts by life insurance companies, which was rejected and the rejection later reconsidered, has again been rejected.

Senate Bill 461, relative to loans and surrender values and the amortization of bond values of life insurance comypanies.

Maryland.

The following is a complete list of the bills made law at the recent session of the Legislature:

Senate Bill 15, relating to the insurance department.
Senate Bill 106, workmen's compensation bill.
Senate Bill 292, relating to life insurance reserves.

Digitized by Google

Senate Bill 295, relating to publication of annual statements.
Senate Bill 336, general amendments.
Senate Bill 570, relating to changing of companies from mutual to stock plan.
Senate Bill 731, relating to casualty and surety mergers.
House Bill 337, relating to mutual workmen's compensation companies.
House Bill 444, relating to the insurance department.
House Bill 445, relating to insurance brokers.
House Bill 635, relating to unauthorized insurance.
House Bill 924, re-enacting the resident agent law.
House Bill 963, relating to loss reserves for surety and casualty comapnies.
House Bill 965, relating to publication of anuual statements.

Rhode Island.

PROVIDENCE, April 29.—The Governor has signed House Bill 190. (See Bulletin 2177 and 2141, February 21.)

Senate Bill 251 (Champlin) was introduced to-day, relating to the regulation and control of rates of premiums on fire insurance.

The Rhode Island Legislature is in a turmoil over the matter of adjournment, caused by a disagreement on the appropriation bills. The Senate declined to concur with the House on a date for final adjournment, and the House is said to be contemplating a recess for ten days. The sixtieth day of the session, which was the last for which the legislators are paid, was April 21.

Senate Bill 251 has been introduced by Mr. Champlin to require every fire insurance company to file a full schedule of rates for every class with the insurance department ten days before coming effective. The commissioner is given power to revise the schedules by either lowering or raising them. The right to appeal to the courts is given. No rates can be charged except as filed.

There is a possibility that the Legislature will adjourn this (Friday) evening, although as we go to press this is said to be doubtful.

New York.

Governor Glynn has vetoed the bills providing for the merger of casualty corporations; relative to certificates for fraternals desiring to enter other States; authorizing the incorporation of automobile owners' mutual insurance associations. He has signed the bill to amend the New York City charter relative to better fire prevention methods.

Adjournment is not looked for before the middle of June.

NO PREMIUM CHARGE FOR ADDITIONAL ASSURED

AETNA-AUTO Policies insuring private pleasure Automobiles will, until further notice, be issued to include Additional Assured without extra charge, as regards both Liability and Property Damage.

AETNA LIFE INSURANCE CO.
THE AETNA ACCIDENT AND LIABILITY CO.
THE AUTOMOBILE INSURANCE CO.
of Hartford, Conn.

—*Advt.*

British America Assurance Co.,
INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA
FIRE INSURANCE
UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W. R. BROCK, Pres. W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.

Over $481,000,000

new business paid for in 1913. Faith kept with policyholders made possible this wonderful achievement.

Agents Wanted

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA
INCORPORATED 1851
W. R. BROCK, President — W. B. MEIKLE, Vice President and General Manager
UNITED STATES STATEMENT, January 1st, 1914

Assets	$2,578,163.43
Surplus in United States	1,053,888.67

Equitable Accident Company
161 DEVONSHIRE STREET, BOSTON, MASS.
"THE COMPANY THAT WORKS WITH YOU"

CAPITAL,	$100,000.00
SURPLUS TO POLICYHOLDERS,	182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Postpaid **$4.00**
By EVERETT U. CROSBY and HENRY A. FISKE
A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10
By A. M. SCHOEN
Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10
By W. D. MATTHEWS
What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00
By WILLIAM ARTHUR
This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company
Incorporated
P. O. Box 617 LOUISVILLE, KY.

Digitized by Google

CHARTERED 1811

NEWARK FIRE
INSURANCE COMPANY
NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1914
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

PHŒNIX
ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

YOUR CARD
as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction
The Mutual Life Insurance Company
OF NEW YORK
Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost
For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the
BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851
New policies with modern provisions
Attractive Literature
W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE
is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address
The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.
Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

GERMANIA
FIRE INSURANCE COMPANY
Organized 1859 NEW YORK
STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,200,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Digitized by Google

The Fidelity and Casualty Company

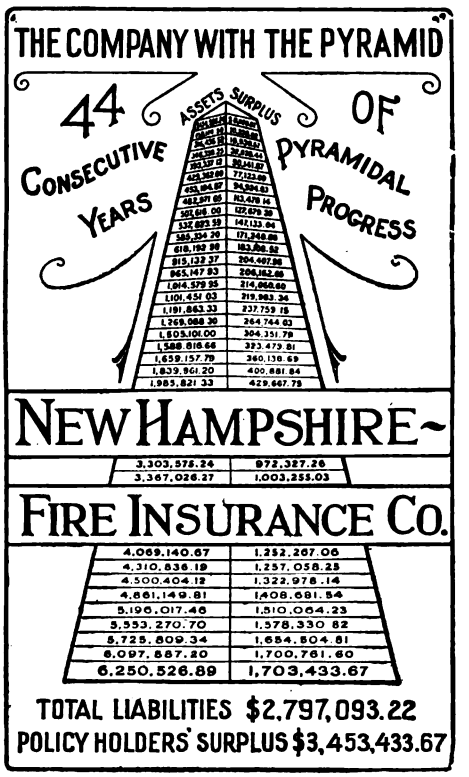
of New York

92 LIBERTY STREET, NEW YORK, N. Y.

ANNUAL STATEMENT, DECEMBER 31, 1913.

Assets	$11,063,356.70
Liabilities	8,055,163.65
Capital	1,000,000.00
Surplus over all liabilities	2,008,193.05
Losses paid to December 31, 1913	44,841,703.50

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny and Theft Insurance; Plate Glass Insurance; Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam-boiler Insurance; Fly-wheel Insurance.



GEORGE BERRY, Managing Director

L. P. TREMAINE, Secretary

Berry, Tremaine & Company

INCORPORATED

No. 123 William St., New York City

GENERAL AGENTS

Allemannia Fire Ins. Co., New York State (except Suburban and Metropolitan).

Austin Fire Insurance Co., New York State.

Central National Fire Ins. Co., States of New York and New Jersey.

Commonwealth Fire Ins. Co., New York State.

German-American Fire Ins. Co., Pennsylvania, States of New York and New Jersey.

New Jersey Fire Insurance Co., New York State.

Philadelphia Underwriters, Phila., New York Suburban.

Republic Underwriters, Dallas, New York State.

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1914

Total Assets,	$9,154,808.16
Capital Stock,	750,000.00
Net Surplus,	2,558,864.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
59 John Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

NORD-DEUTSCHE

INSURANCE COMPANY

OF HAMBURG, GERMANY.

ESTABLISHED 1857

Assets January 1, 1914		$1,439,399.53
Liabilities	" "	579,631.12
Surplus	" "	859,768.41

U. S. BRANCH, 123 WILLIAM ST., NEW YORK

J. H. LENEHAN, UNITED STATES MANAGER

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America
FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
WILLIAM H. KENZEL
COMPANY
23 Liberty Street, New York
REPRESENTING
STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

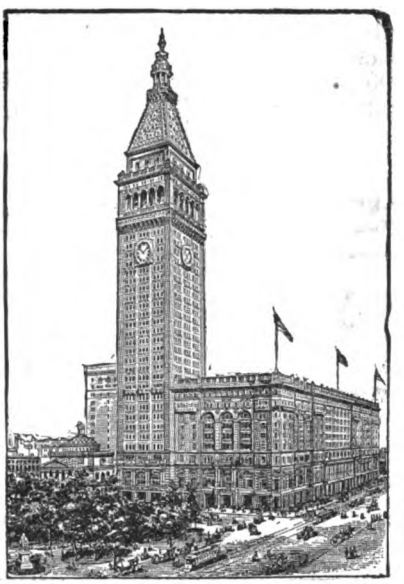
This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16



Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

A BIG FIRST QUARTER!

January, February and March each far exceeded in new business the same months in 1913. And this first quarter rolled up the biggest total of any first quarter in the company's history. Reasons: Up-to-date policy contracts, low net cost, company's reputation, satisfied and prosperous representatives. Have you met the Massachusetts Mutual in *competition?* Would you like to meet it *as one of its representatives?*

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager

F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers, Middle Department.....434 Walnut St., Philadelphia

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MAY 9, 1914. No. 19.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
WILFRED W. MACK, 2d Vice President and Associate Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

IT should be the practice of every one engaged in the fire insurance business—and this specification extends to the clerical force in the offices of the companies as well as to their principals and to the field men, local agents and brokers—to study the science of fire prevention as affected by the construction of buildings. A thorough knowledge of this is necessary to make them good fire underwriters, and all in the business—beginners and more advanced operators—should aspire to that standing. As a means toward that end, we can especially commend the instructive pamphlet prepared under the direction of the Bureau of Surveys of the New York Board of Fire Underwriters and the American Institute of Architects, by Mr. F. J. T. Stewart, representing the former, and Mr. Julius Franke, the latter, and entitled "General Information Regarding Fire Insurance Requirements." So much in fire prevention depends on proper building that hardly too much time can be devoted to this branch of research. It is interesting to observe that so far as fire hazard in building construction exists the expert authors classify it under six headings, and these cover the entire subject. Briefly summarized they embrace, first, exposure to fire from without; second, plan of construction, which is affected by the materials and workmanship; third, plan of building, which takes in height, area, location of fire stops and facilities for the escape of occupants and for access for firemen; fourth, internal fire extinguishing equipment, such as sprinklers, hand extinguishers, standpipes, fire alarms and other protective apparatus designed to put out fire in its incipient stage; five, nature of occupancy, which relates to character of occupants, inflammability of material stored, attention to cleanliness and care of heating apparatus; sixth, public fire protection, and this includes the degree of care with which the public authorities provide efficient fire departments and ample water supplies and enforce adequate building laws. This resumé will give a good idea of the concise method by which Messrs. Stewart and Franke convey the essentials of a great theme to the minds of the reader and student.

ACTION and reaction are compensating factors in insurance, as well as in the immutable laws of nature. Even the effects of disturbing causes are sometimes beneficent. The Kansas case, just decided by the United States Supreme Court, had a gloomsome look at first, giving as it does, the right of complete regulation of insurance to the State, even to rate making. Insurance by this decision is fully "clothed with public interest." Underwriters believe that in consequence of it, more legislative regulation than ever will be undertaken next year, especially regarding rates. But "public interest" is no synonym for legislative suppression. Missouri and Kentucky have both suffered from that mistake and the latter is to feel it still more. Regulation of insurance must be directed to bettering the relations between insurer and insured, instead of wiping them out. Missouri saw the light and day will yet dawn in Kentucky. For, without such a change, commerce and manufacture will be diverted to States where living conditions prevail, as insurance is the foundation of all credit in these lines. New York to-day affords a case in point, though in another line of insurance. Its new law for Workmen's Compensation has been left so wide open that the cost of insurance under it will be two and a half times that in Massachusetts. At a conference with the insurance department this week, casualty company officials were unable to estimate proper rates. But it is known that they will be extraordinarily high. The State will have to fix them, in all probability, and few companies apparently will be able to write. The inevitable result will be an exodus of industries to adjoining commonwealths, where they can exist. Fear of such a result was publicly expressed this week by an official of the New York Insurance Department in an address to a gathering of insurance men. The State cannot do the work, he intimated. The condition is critical. Public interest has been lost sight of. Insurance stands powerless. State regulation in any line, as directed by legislative enactment, has a very decided limit set upon its rampages by the phrase "public interest." The highest interests of the State itself are wrapped up in its commerce and its manufactures. No commonwealth will stand idly by and see a diversion of those supreme factors, to a more liberal neighbor. The sovereign State, having full power of supervision, as upheld by the United States Supreme Court, should not use it recklessly and wantonly, but with an eye single to the best interests of its citizens. That means fostering care for insurance, not fetters. But the great trouble is the blindness of the public to its own interest. That makes the State blind in turn. Insurance agents are doing great work these days in Kentucky educating the function of "hindsight" in their patrons. They should begin

Digitized by Google

to-day to instill foresight into the minds of buyers of insurance in every other State in the country. They are the only ones who can do it and upon them rests the responsibility for preventing future trouble.

WAR in its most terrible form during the years 1861-1864 decimated the insurable lives of this country. But the institution of life insurance, then in its infancy, not only survived but was stimulated and grew astonishingly in those years and following. A page of history from the columns of this newspaper, then called the Wall Street Underwriter, is most interesting. In the issue of May 18, 1861, a meeting of sixteen companies held in New York to consider the situation is reported. They resolved that the companies should freely allow their policyholders to enter military and naval service and that a table of premiums be prepared for the additional risk. Five per cent. extra upon all existing policies was fixed as a reasonable rate, north of 34 degrees of latitude and ten per cent. south of that line. Policyholders were given the option of paying this premium, or having their policies renewed upon discharge from service, the present value of the policy being paid in case of death during the suspension of the contract. In justice to old policyholders, the committee recommended that no new or unusual contracts be entered into. Experience in the Mexican War was cited at two and one-half per cent. per annum in battle and, from exposure and other causes, three and one-half per cent. for officers, privates suffering a much higher rate. Regarding deterioration of constitutions from the service, the actuaries did not assume to calculate, but said they would expect many early death claims. Following these recommendations, one company allowed one-quarter of the extra premium to be paid in cash and the rest to go on notes. Another required a whole year's premium, with the extra charge in advance. Another company, the United States Life, charged only three per cent. extra on the lives of naval officers. Policyholders "in actual hostility to the Government of the United States" were generally allowed to surrender their policies and receive the values thereunder. Turning over the yellow pages of time, we find in the annual report of the Massachusetts department printed in April, 1864, the following comment by Elizur Wright: "In some particular companies the loss by death on war risks may have slightly exceeded the extra war premiums received, but, in the aggregate, the military exposure thus far has not impaired the funds of the companies, nor has it produced an effect on the aggregate mortality such as would have attracted particular notice in times of peace." To-day the percentage of insurance in the United States is far greater than fifty years ago. But far in excess of that proportion is their strength of resource. Letters from fifty or more companies this week indicate that on present policies the great majority of companies will place no restrictions regarding war service. A few even will consider applications from National guardsmen at five per cent. extra charge. Others will not take new risks carrying a war contingency, while a few having restrictions will remove them if the trouble increases. On the whole, a liberal spirit is shown, coupled with the same conservative care of old insurants that was evident in '61. A big war to-day would mean far greater losses to the life insurance companies than it did fifty years ago, but the companies would come through it with no less honor and stability than in far darker days, that is certain.

Fire Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

May 13—Philadelphia Fire Underwriters Association, semi-annual meeting at Philadelphia.

May 18—Committee on blanks, National Convention of Insurance Commissioners at Hotel Manhattan, New York City.

May 19-20—National Association of Manufacturers at Waldorf-Astoria, New York City.

May 28—National Board of Fire Underwriters at Waldorf-Astoria, New York City.

May 28-29—New York State Association of Local Fire Insurance Agents at Rochester, N. Y.

June—Insurance Institute of America at Philadelphia.

June 3—South-Eastern Underwriters' Association at White Sulphur Springs, West Virginia.

June 10—Executive committee, committee on blanks, committee on fire insurance rates and regulation, and committee on standard fire policies of the National Convention of Insurance Commissioners at Hotel Astor, New York City.

June 24-25—Ohio Farmers Western Department Agency convention at Delevan Lake, Wis.

August 18-21—National Association of Insurance Agents at Minneapolis, Minn.

September 11-12—Fire Marshal's Association of North America at Asheville, N. C.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16—Western Union at Hotel Traymore, Atlantic City, N. J.

September 22-24—National Association of Mutual Insurance Companies and Associations, at Virginia Hotel, Columbus, O.

October 7-8—Fire Underwriters' Association of the Northwest at Chicago.

October 20-23—International Association of Fire Engineers at Hotel Grunewald, New Orleans, La.

The annex controversy occupied the spotlight in three sections of the country this week. At Augusta, Ga., there was a critical situation, following the consistent attempt of local agents there for some months past to enforce the local board rule against underwriters' agencies. The annex commissions were driven from pillar to post, and as soon as an agency was taken in, the holder of the commission was practically boycotted by the other agencies. This week, however, a stand was taken by Manager Edward S. Gay of the Insurance Company of North America and Philadelphia Underwriters, and, acting under orders, two of his special agents opened an office in Augusta to hold the business of the company. Numerous policies were rewritten, it is reported, at protective rates. Augusta agents asked permission to protect their business, but companies were conservative in their replies, and on Thursday the Augusta board rescinded the rules regarding underwriters' agencies, apparently settling the question, though they may ask the State and national associations of local agents to follow the matter further. In Chicago a shot at annexes was taken by Manager A. F. Dean, of the Springfield, the Nestor of the Western profession, in a pamphlet entitled "The Annex Scramble." The Springfield has steadily withstood that tendency. Mr. Dean says: "The annex system has but a half-hearted, shamefaced support on the part of the majority of companies engaged in it." He advocates "unscrambling the annexes." Mr. Dean is a pamphleteer of unusual strength and his writing always attracts wide attention. The Rochester, N. Y., local board sent to companies this week a long letter protesting against the growing practice of dual agencies there in the face of the single-agency rule which has long been in force. The Rochester board charges that the Underwriters Association of New York State has approved such action in spite of protests, and also alleges discrimination in rates. The Security of New Haven has four agencies, none of which are members of the board, the letter states. The non-members of the board are fourteen in number as against thirty-one members, but the non-members can pay commissions to any one securing a broker's license, while the

Digitized by Google

members are restricted to doing business with associate members and salaried solicitors. The letter points out especially that the Rochester board has minimized brokerage and held commissions to the minimum, while in Buffalo, for instance, "the brokerage evil is unrestrained" and companies in consequence pay 5 per cent. more commission.

The **new chief executive of the "old and tried" Glens Falls,** President R. A. Little, comes to that position not only by a hereditary right, but in consequence of a special ambition, long cherished, not by himself, but by that grand veteran of the business whom he succeeds. Colonel J. L. Cunningham. The latter, one of the finest exponents of the profession, and, in addition, a litterateur and epigrammatist of rare gifts, is never quite as happy as when doing something that gives pleasure to others. Mr. Little's own long and distinguished service with the Glens Falls, coupled with the honor of being the son of the founder of the company, have kept him in the direct line of succession. He was in bad health for some time last year, but after a three months' vacation came back with a vigor that led Colonel Cunningham, in the height of his honors, to say to his directors at the quarterly meeting, "Now is the time." If President Little has any special hobby it is building houses—not castles in the air, by any means, but substantial dwellings of an attractive kind, and selling them at a reasonable figure and on advantageous terms to ambitious young men who want to make homes of their own. Some years ago he established a fine residential section for that purpose, and looking after it has been his recreation, outside of the hours he spends at the homes of his daughters, romping with his attractive grandchildren. Many a young man in Glens Falls is indebted to Mr. Little's aid and encouragement for the ownership, now fully paid, of a real home. Mr. Little is a man of fine personality, but shy of photographs. As one of his associates says, "He is a little baldheaded, but finds no pleasure in having a seat in the front row." Affable and kind, and seeking no honors, he represents the type of man who can best hold the seat just left by one respected and honored in the profession throughout the country. Colonel Cunningham has not been allowed to vacate his "den" at the office, and his sunny face and wise counsel will be present every day for many years to come, as all his associates trust. At the right hand of President Little, as he was with Colonel Cunningham, sits Vice President J. L. Whitlock, a wise counselor, an experienced underwriter and one of the best friends any man could have. Recently from Chicago, his change left a big personal vacancy in that city. On La Salle Street, one's eyes turn instinctively to that ground floor window at 29 where he sat so long and note his absence with regret. But in his new job, with his intimate knowledge of Western conditions and his finger on the pulse of the splendid agency organization he built in that field, he fills that ordinarily impossible condition of being in two places at the same time. With an ex-president emeritus, a president by birth and education and a viceroy tried and true, the Glens Falls is surely most fortunate in the present status of its official family.

New York's legislative **disgrace** in failing to provide funds for the work of the fire marshal's department, owing solely to political chicanery, is not yet ended, although a compromise arrangement was made this week whereby funds to run the department until next February will probably be put through. The spectacle of the Empire's State's penuriousness in providing for a work that means everything to the interests of its citizens through the reduction of the fire waste has not only been commented on locally, but a letter from President Ole O. Roe of the Fire Marshal's Association of North America recites the opinion of the executive committee of that body in Chicago on April 15, to the effect that the abolition of the office in New York State, the most populous in the Union, without giving it a fair trial, would not only be a backward step, but would discourage the workers and hamper the work in every other State in the country where such departments are established. State Secretary Frank P. Tucker of the Co-operative Fire Underwriters' Association has sent an open letter to the members of the legislature strongly defending the fire marshal law and citing the splendid results obtained by such departments in other States. It is interesting in this connection to note that in Illinois, where similar trouble occurred three years ago, C. J. Doyle, who was then fire marshal, worked for a long term without salary, and he and his successors accomplished results that have compelled recognition. Mr. Doyle is now associate counsel of the National Board of Fire Underwriters. Mr. Tucker in his letter said in part: "On the whole the situation seemed extremely shocking to those familiar with the purposes for which the fire marshal's department was recommended by Republicans and created by Democrats, and who are interested in the great national question of fire protection, the consequent conservation of natural and created resources and reduction of the fire tax."

Commission changes of special interest **in the Western field** have been announced by the joint conference committee of the Western Union and the Western Insurance Bureau. As a result of the strong protest made at the annual meetings of both organizations by the Class 2 agents of Chicago, an increase of 5 per cent. has been given them except on preferred business, their commissions now being 15, 20 and 25 per cent. Rules for commissions to supervising agents are still in abeyance. For St. Louis, a fixed commission of 30 per cent. on tornado business and 20 per cent. on fire has been established, effective June 1, in the downtown district, with a contingent to Class 1 agents. Class 2 agents are not allowed to write in the principal city district, but may broker business which they control there with the Class 1 agents. The Class 1 agents may write in the Class 2 district on a 20, 25 and 30 per cent. commission for fire and 30 per cent. for tornado. In St. Louis county, all business is subject to the graded scale for mixed agencies as adopted by the Union, and is uniform with conditions elsewhere throughout Missouri. Reductions of commissions fall upon the Class 1 supervising offices in St. Louis and are similar to those recently put in force in Chicago. All contingent contracts are to be filed with the committee. Milwaukee agents have been given a commission schedule upon the Union graded scale for mixed agencies with a 5 per cent. advance. Suburban agents in Milwaukee county get the same scale as the rest of the State.

Montgomery, Ala., is criticised for its **structural conditions** by the engineers of the National Board of Fire Underwriters in their report just published. The conflagration hazard is reduced in the congested area by the low buildings, but the areas are large, and outside of sprinkler equipments, little regard has been paid to fire prevention in the manner of construction. The streets are generally wide and there is a good water supply. Along Court Street the engineers say conditions are such that two or three blocks might easily be involved in a big fire, though elsewhere individual or group fires may be expected in unsprinkled buildings. Numerous frame awnings and the obstruction of overhead wires are additional features in favor of conflagration. The city is sometimes subject to high winds, which in the residential sections, where there are many shingle roofs, affords great opportunity for a sweeping blaze. The fire fighting facilities show the pumping station is not fireproof, and the storage reservoirs of inadequate capacity. The protection is only fair and small reserve is afforded, although the pressures are good and well maintained. The hydrants, while not inspected, are in good condition with wide spacing. The condition of the fire department is mainly satisfactory. Valuable and systematic

Digitized by Google

building inspections are made. The fire alarm system is in good condition, but is little used, most alarms being given by telephone, though the report points out that the service is insufficient as regards receiving arrangements.

Graceful acknowledgment of the gifts presented to J. H. and A. R. Stoddart by the field force of the New York Underwriters Agency in honor of the fiftieth anniversary of the organization was made this week in a letter to all the field men, as follows:

Gentlemen.—We have your communication of May 1 and cannot adequately express to you our appreciation of the handsome and acceptable gifts you send us in connection with the celebration of the fiftieth anniversary of the New York Underwriters Agency. Their beauty and usefulness alone would assure them high place among the household goods of the recipients, but even beyond their intrinsic qualities we value the expressions of friendship and regard which accompany them.

The present management of the New York Underwriters Agency has always aimed to support the principles and continue the practices which marked the conduct of its business under the late Mr. Alexander Stoddart. In this we have had the loyal co-operation of representatives in the field, and it is a satisfaction to know that the measure of success attained prompts the pleasant compliments of your letter. We regret that we cannot, at present at least, thank our field men in person for the anniversary remembrance, but we extend a figurative handshake to each, thanking all for their labors in behalf of the New York Underwriters Agency and appreciating the *esprit de corps* which has added so much to the pleasure and success attending our common work.

Trusting we all may be associated for many years to come, we remain,

Yours very sincerely,

JOHN H. STODDART,
ALEXANDER R. STODDART.

Few organizations are represented by bigger and better men in the field than the New York Underwriters Agency.

Another **"important if true"** contribution has been made to insurance literature. The London *Review* prints the following in its latest issue:

We have received further particulars of the arrangements for the Insurance Congress of 1915 at San Francisco. There is to be an "Insurance Day" on April 18. A reception of those engaged in the business will be held. This will be a Sunday. No reason is given for selecting that day of the week. It would be interesting to know why. Of course, we are not averse to Sunday demonstrations under circumstances which make that day the most appropriate, but as the Exposition is to be open for the greater part of the year, surely some other day of the week might have been chosen without any risk of prejudicing the success of this unique gathering.

The calendar in general use in America prints Saturday as the 18th of April, and that was the day the California folks supposed they were celebrating on. "It would be interesting" to know what calendar our English contemporary is using. In the same paragraph the following additional comment is made:

Anyhow, the amount of information with which we are flooded concerning this Congress makes us wish it were coming off this year. The beneficence of insurance is world-wide. Without it, San Francisco would not have risen again so imposingly out of the black ruin of a few years since. Still, taking a purely insular point of view, we cannot see why so much fuss is being made over the fact. British insurance companies simply did their duty, and will do it again, should such an occasion recur.

The Insurance Society of New York announces the following **additions to its library** during April:

American Waterworks Association. Proceedings, 1913.
Argus Fire Insurance Chart, 1914.
Workmen's Compensation Law in New York State: Weed & Kennedy, pamphlet.
Massachusetts. Reports of cases under workmen's compensation act. 1912-1913.
Workmen's Compensation Insurance: George G. Wetzel, pamphlet.
Indiana: State Fire Marshal annual report, 1913.
Fire Insurance Patrol, Philadelphia. Annual report, 1913.
Texas: State Fire Insurance Commission—Classification, Jan.-Dec., 1913.
Best's Policy Analyses and Dividend Illustrations. 1914.
Insurance World Fidelity and Casualty Chart, 1914.
Louisiana: State Fire Marshal annual report, 1913.
Life Insurance Policyholders Pocket Index, 1914.
Wisconsin: Insurance Commissioner's report on State insurance fund.
Whitaker's Almanac, 1914.
Returns of Assurance Companies (Great Britain), Parts A and B. 1914.
Institute of Actuaries (Great Britain) *Journal*, April, 1914.
American Telegraph and Telephone Co., Catalogue of Library, 1914.
Pocket Register of Accident Insurance, 1914.
New York State: Education Department. Annual report, 1913.
American Labor Legislation Review, seventh annual report, 1914.

The number of visitors during April was 188.

The **competition of Lloyds,** interinsurance and outside companies on risks in Western territory has recently been the cause of severe complaint on the part of local agents and company managers as well. Many of these cases have been carefully investigated by special agents, with the result that the actual competition has not infrequently failed to materialize. This leads to the suspicion that associations of manufacturers and dealers are in some cases exchanging information for the purpose of suggesting to members methods of forcing down adequate fire insurance rates as quoted by stock companies. Companies are standing pat in most cases on rates in the face of alleged competition unless actual proof is afforded them. A recent case of competition from London Lloyds, lumber mutuals and interinsurers is that reported on the Wells Lumber Company at Menominee, Mich. Over $100,000 is said to be carried on the plant and lumber at the rate of $1.68 on the flooring plant and $1.41 on the lumber, whereas it is known that some stock companies have been giving a rate of 75 cents to $1.00 in competition. Some companies are said to have authorized a flat 90-cent rate for a blanket cover with 90 per cent. coinsurance clause.

The appointment this week of John Marshall, Jr., of **Chicago** as **manager of the Fireman's Fund** comes as a matter of course, although it is a thoroughly deserved recognition of his long and most able conduct of that company's affairs in the central department, in association with the late F. H. McElhone. The appointment, however, of W. A. Chapman as assistant manager of the department comes as a distinct and pleasant surprise to the latter's many friends in the underwriting world. He recently removed to Hartford as manager of the Western department of the Connecticut, after many years of faithful service as assistant manager of that branch under the late J. J. McDonald. He rose to that position through successive promotions in the field and office and has long had the reputation of being one of the best detail men in that territory. Mr. Chapman's personal preferences for the business and personal associations of so many years in the West can be easily understood, and he will be heartily welcomed on his return. J. George Stauffer, Illinois State agent of the Fireman's Fund for many years, who has been assisting Manager Marshall, has been appointed superintendent of agencies.

Business men of **Kentucky** still seem to be unaware of the seriousness of the fire insurance **situation.** That fact is shown by the results of the meeting in Louisville on Wednesday of this week under the auspices of the Manufacturers' and Shippers' Association, which was very poorly attended. The meeting merely endorsed the suggestion to arbitrate the situation through a commission and then postponed further action until May 20, when an attempt will be made to get a bigger gathering. The companies are compelled to await local developments, but individual expressions to their agents and inquiring insurers repeat the assurance that they will be glad to do business in the State if the legislation which forced them out is repealed and rates are made sufficient to give them not more than 5 per cent. profit. The State Insurance Board is still prejudicing the situation by sending out statements charging the companies with coercion and denying that its rulings have been detrimental to the interests of the business and the citizens of the State. The State itself is this week asking for bids on $350,000 insurance upon the State University at Lexington, and there will be difficulty in placing it.

(*Continued on page* 405.)

Digitized by Google

NATIONAL FIRE PROTECTION ASSOCIATION.

Proceedings of Eighteenth Annual Meeting, Held at Chicago This Week.

(*Special Report.*)

CHICAGO, May 7.—The eighteenth annual convention of the National Fire Protection Association closed here to-day, after a session which produced many interesting features of decided value to the cause of fire prevention. The meeting was largely attended, especially on Wednesday. The following officers were elected for the ensuing year:

President, Robert D. Kohn, New York City.

First vice president, Charles E. Meek, of the National Credit Men Association, New York City.

Second vice president, Louis Weiderholt, Jr., Philadelphia.

Secretary-treasurer, Franklin H. Wentworth, Boston.

Chairman of executive committee, F. J. T. Stewart, New York City.

Executive committee (three years), Dr. S. W. Stratton, director, U. S. Bureau of Standards, Washington, D. C.; James White, Canadian Conservation Commission, Ottawa, Can.; Rudolph P. Miller, superintendent of buildings in Manhattan, New York City; Charles H. Patton, Cleveland Inspection Bureau, Cleveland, Ohio; C. L. Schofield, Canadian Fire Underwriters, Montreal, Can. Frank M. Drake, of Louisville, was elected for two years to succeed Mr. Meek, and C. M. Goddard, of Boston, was elected for one year to succeed C. E. Heaton, of Canada.

The feature of the convention was the extraordinary demonstration accorded to Frank M. Griswold, the veteran general inspector of the Home, who resigned as chairman of the committee on hose couplings and hydrant connections, after serving in that capacity for more than ten years. There is little of the human element manifested in meetings of the association, its deliberations being mostly purely technical. But the association took notice of the resignation of Mr. Griswold by formally voting him an honorary life membership, and informal expressions of appreciation were showered upon him throughout the day.

The first session opened with delegates present representing 44 of the 131 active members and also about 250 associate members. President Robert Kohn of New York presided. Secretary Franklin H. Wentworth of Boston expressed his satisfaction over the year's work in his three reports as secretary, treasurer and editor of the *Quarterly*.

ADDRESS OF THE PRESIDENT.

President Robert D. Kohn, in his annual address, described the association as a valuable public educator. He said in part:

We are met this morning at the opening season of the eighteenth annual convention of the National Fire Protection Association. Our last meeting, held in New York, was marked by every evidence of enthusiasm, and I hope that this meeting in Chicago, the home of the Underwriters' Laboratories, will set a new record for forward-looking propaganda work in the great cause for which this association was founded, viz., the preventive work of life and property protection against the fire danger.

At the close of the last annual meeting, when conducted to the presiding officer's chair, I made an attempt to express to you my embarrassment at my elevation from the ranks of a simple private to the responsibilities of the presidency. It seemed to me that it was hardly proper that a person of so little experience as myself should assume an office of such importance—an office held in the past by men of expert knowledge and great distinction in the field of fire protection—an office indicating in a way the leadership over a group of men forming this association, men who had for seventeen years worked in the most disinterested, enthusiastic spirit toward the development of standards of fire protection.

After a year of association with the details of this organization's work I am more than ever impressed with the importance of the work that has been accomplished and am convinced that my perfectly sincere disclaimer of last May was justified by the facts. My service to this organization can therefore, at best, be that of representing it in certain directions in a public capacity. I cannot report to you on the achievements of its committees along scientific lines. That you will get during later sessions of this convention. I can, however, indicate, from the point of view of one who stands somewhat outside the active detail work of the organization, some of its accomplishments during the past year in the way of the public expression of its ideals. You have, in my opinion, only now commenced to reap the harvest of many long and arduous years of work. It is safe to say that the public of this country is actually beginning to wake up to its responsibilities in this matter of fire prevention. Everywhere there are signs of improvement; much helpful legislation has been passed, and a man who preaches the need for fire prevention work is no longer suspected of ownership of insurance stock or a secret interest in a patent fire extinguisher.

I would like to be able to claim that all the progress made in the last few years in the way of improving the conditions in our cities had been due to the work of this association. As an actual fact, our cause has been furthered by great catastrophes. In my own State of New York a series of fires resulting in an enormous loss of life was the first shock that caused the awakening. I doubt that even great loss of property could have accomplished this. It was the loss of life that stirred the people to the serious problem. It resulted in the appointment of special investigating commissions and the passage of drastic laws in a number of States looking toward the correction of the conditions that made the losses possible. It was in the preparation and support of these laws and ordinances, first forced upon the attention of our legislators by an aroused public opinion, that the members of our National Fire Protection Association have been of invaluable service during the past year. In Pennsylvania and New York and many other States this help was of the greatest value, for they had at their command standards long since framed by this association and the experience gained in the preparation of those standards, so that they could speak as experts on topics unknown to the average legislator.

In this matter of legislation and the assistance to legislators we are, of course, only in our infancy. We have only the very foundation of good laws in a few of the States and communities. It is, however, the first step that counts. By accomplishing a little in a few communities we ought to be able to wedge in similar or better legislation in other communities. It ought no longer to be a necessary precedent to good legislation in any city that there shall first be a loss of 150 lives by fire in that city. We have a great task ahead of us trying to impress this fact throughout our country, and we must be prepared to steer the aroused public enthusiasm in the right direction. We must speak as experts and demand to be heard, for this organization represents the people who really know whereof they speak.

In directing public opinion we will be immensely helped by public meetings of the character of the Philadelphia Congress in November and by the local chapters of our National Association, which have been formed during the past year. You will hear from others detailed reports as to the organization of these local chapters. Successful starts have been made in four or five cities, and enthusiasm has been shown in each of these cities for the work that may be done locally in the furtherance of our cause by the organization of our members in the different communities. The value of these local organizations will be evident as soon as they take the proper stand in this matter of city and State legislation. In the past there has been no recognized source of disinterested authoritative information on the subject of fire prevention in the different localities. Any person with a little or no knowledge who cared to call himself a fire prevention expert could and would break forth into print with opinions on any and every topic under consideration. Our National Association officers and committees were frequently too far removed from the local interest to be of any assistance when a really critical situation arose. Wherever we have a local chapter of this association, a body of experts, in other words, well organized

Digitized by Google

and well managed and "on the job," we can be certain in the future that the public will listen to their views on questions of fire prevention and the local amateur will disappear, be suppressed or learn something about the subject.

The American Institute of Consulting Engineers has taken an active part in our work this year, and the American Institute of Architects has shown its increased interest through the creation of a standing committee on fire prevention under the chairmanship of an able and active member. We have made great advances in our general membership during the year, as you will hear from the secretary's report, not only in numbers, but in the quality of our accessions. Our directly allied members and associates are, after all, our best missionaries. We must keep up the campaign for members. We must try to reach the people who build and those who pay for building construction—the builders, the architects and the investing public.

In conclusion, let me say that I do realize the importance of the technical work being so splendidly put at our service without cost by the members of our various committees. I know some of our committees have produced, during the year, documents that are going to be of the greatest possible value. I have chosen, however, in this address, to dwell more specifically on the public aspects of our work. I feel that it is in this direction that we now have the right and the duty to push forward with ever increasing insistence. We have the knowledge, we have the standards which are the result of years of work, we know that we know, now let us go out and make the world realize that *we know*, and that we are ready to tell what we know. If we do this we are going to reap, not individually, but for the whole people, the benefits of our eighteen years of work through the application, in legislation, of the standards that have so splendidly and disinterestedly been prepared for us. May the sessions of this convention be fruitful in the production of plans of an active propaganda for the education of public opinion and toward the expression, in legislation, of the great life and property-saving methods for which this association stands.

EXECUTIVE COMMITTEE REPORT.

Chairman F. J. T. Stewart, of the executive committee, emphasized the progress made in the development of standards. The report concluded:

The following resolution is recommended by the executive committee for adoption.

Whereas, manufacturers and others may have a deep interest in the rules and specifications prepared by the National Fire Protection Association; and

Whereas, it has always been the desire of the association to avail itself of the best thought and experience of those having knowledge of the various subjects considered by the association;

Resolved, that the committees of the association be and are hereby requested to, as far as consistent with the best interests of the work in hand, confer with the manufacturers and others intimately concerned with the respective subjects under consideration; and that, so far as conditions will permit, the association do not take final action on these matters, including amendments, until said manufacturers and others have had reasonable opportunity to present their views, either directly or through the proper committees; and that to facilitate this work the said manufacturers and others be and are hereby urged to register with the secretary their names and address and the subjects upon which they desire to be consulted.

The report also pointed out that for the first time in its history the annual expenses of the association had exceeded its receipts. This is regarded as an indication that the association has a broader work to do and is doing it.

The report and the address of the president were accepted and referred to the incoming executive committee.

RESOLUTIONS.

The report of the resolutions committee was presented by former President H. L. Phillips, as follows:

The National Fire Protection Association, assembled in Chicago for its eighteenth annual meeting, calls once more upon all citizens to aid to the utmost its campaign against the fire waste.

The destruction of life and created resources already suffered by the United States and Canada in the first four months of 1914 is deplorable evidence of the undiminished magnitude of this problem and the need for unceasing effort for its solution.

The inadequacy of water supplies in many cities due to their rapid growth in area and population; the more common use of explosives and inflammable oils; the growing use for manufacturing of buildings never designed for that purpose or inadequately provided with exits, and many other complex features of modern life are creating new fire hazards. These demand increased vigilance and initiative from those in authority.

The National Fire Protection Association advocates the following measures in its warfare against the needless sacrifice of human lives and property by fire:

(1) The encouragement of fire-resistive building construction through the adoption of improved building codes by all States, cities and towns. The inclusion in such codes of adequate rules for exit facilities based on the occupancy for all buildings.

(2) The adoption of laws or ordinances requiring the installation of automatic sprinkler systems as fire extinguishing agents in all factories, commercial establishments and city blocks. The adoption of ordinances requiring the construction of fire division walls not only as a property protecting device but as providing the best life-saving exit facility.

(3) The establishment by law of a fire marshal in every State, who shall be a trained man with trained assistants competent to direct the work as statistician, educator and prosecutor.

(4) The investigation of the cause of all fires by public officials.

(5) The consolidation of all legal forces so as to provide for the systematic inspection of all buildings by local firemen, and technically trained building and factory inspectors so as to insure the vigorous enforcement of rules for cleanliness, good housekeeping, and the maintenance of safe and unobstructed exits, fire-fighting apparatus and other protective devices.

(6) The especial safeguarding of schools, theaters, factories and all other places in which numbers of people congregate or are employed.

(7) The vigorous State and municipal regulation of the transportation, storage and use of all inflammable liquids and explosives.

(8) A careful study of municipal water supplies, their adequacy and reliability with special reference to their adequacy in case of conflagrations.

(9) The universal adoption and use of the safety match.

(10) The education of children and the public generally in careful habits regarding the use of fire.

In the furtherance of these objects we appeal for the cooperation of all citizens. We ask them to help in the dissemination of our valuable literature and in the use of the standards of fire protection so carefully worked out by our committees and laboratories to the end that the lives and substance of our people shall not continue to be dissipated by a reckless, preventable waste.

The resolutions were adopted unanimously with enthusiasm.

An invitation to hold the 1915 session at the Panama-Pacific Exposition was received and referred to the executive committee.

The report of the committee on public information was presented by its chairman, Mr. Wentworth. It has been in existence only six months, but local chapters have been formed at Boston, Chicago, Los Angeles, New York, Pittsburgh, and in Canada in Montreal and Winnipeg, while others are under way in Cleveland, Seattle, San Francisco and Portland, Ore. The report suggested the publication of a monthly bulletin in addition to the *Quarterly*.

The committee on changes in the constitution reported by its chairman, C. M. Goddard. The two principal recommendations were to substitute the word "American" for "National" in the name of the association, and to admit municipal organizations to membership, both of which were referred to the executive committee. The latter was especially championed by Powell Evans.

Secretary Walker of the Ontario Fire Prevention Association gave the report of the Canadian committee, which showed that Canada is progressing rapidly in making provisions for fighting the great fire waste of the Dominion.

AFTERNOON SESSION.

The first report of the afternoon was that of the committee on State fire prevention associations, presented by its chairman, Frank M. Drake, who is vice president of the association, in his characteristic forceful manner. Mr. Drake is retiring as chairman of this committee because he believes its head should be actively connected with insurance. Mr. Drake has lately left the insurance business. He urged the importance of educating the local agent in fire prevention matters, and said failure was now due to expecting local agents and fire departments to do fire prevention work without a proper knowledge of how to accomplish the desired end.

The report of the committee on safety to life, given by Chairman H. W. Forster, was decidedly opposed to the outside fire escape, but recognized that it would always be found, inas-

Digitized by Google

much as it has been written into so many State and municipal regulations. As to horizontal escapes, or fire doors through fire walls, the report pointed out the need for provision for the downward movement of those leaving the burning portion of the building so divided. The report praised automatic sprinklers as the most effective and dependable safety device for the protection of life in case of fire.

The first part of the report was referred to the executive committee, while the sentiment regarding automatic sprinklers was adopted as that of the association.

MR. CHASE ON ADOPTION OF STANDARDS.

Frank D. Chase, president of the Chicago local chapter, addressed the association on the "Adoption of N. F. P. A. Standards by State and Municipal Action." He praised the work of the association and read communications to show that its results were being made use of. He urged that the establishment of municipal fire prevention bureaus be advocated and encouraged, and said that inspections throughout the country would cut the annual fire loss by $20,000,000.

The report of the committee on laws and ordinances was read by Chairman Charles H. Lum. It suggested amendments to only one previously promulgated ordinance, that relating to moving picture theaters. The changes added "two inches of solid metal lath and Portland cement plaster" to the materials from which booths may be constructed, require metal booths to be at least twelve inches away from all inflammable material, specify 72 square inches as the limit for the opening for machine, require electric wiring to be in conduits, make the booth doors self-closing, and suggest that at a convenient time during each exhibition a bulletin be thrown on the screen stating the precautions which have been taken and cautioning the audience against the dangers of panic. The report included a suggested ordinance regulating the use, handling, storage and sale of inflammable liquids in small municipalities.

Mr. Forster gave the report of the committee on vaults and safes, which set forth the detailed specifications for vaults. These are to be considered, and after comment and criticism by the members are to be embodied in a final report next year. No specifications were presented for safes, there being little interest in that subject.

On account of the organization of the Railway Fire Protection Association the committee on railroad properties had little to report. The new organization will probably be depended on to handle railroad matters in future.

WEDNESDAY'S PROCEEDINGS.

The room was crowded at the beginning of the Wednesday morning session, and the pleasure of Secretary Wentworth was expressed in the increased radiancy of his smile, which has been a feature of the meetings of the association for quite a few years.

The set programme was departed from in several particulars. A dispatch from S. W. Stratton, director of the U. S. Bureau of Standards, announced his inability to attend, and his address was necessarily omitted.

FIRE COMMISSIONER ADAMSON ON INSPECTIONS.

Fire Commissioner Robert Adamson, of New York, who was to have spoken on Tuesday, was introduced by President Kohn, and addressed the convention on the methods and results of building inspection by uniformed members of the New York City fire department. He described the experience of the city in this matter and outlined his ideas regarding the subject, saying, in part:

We need a law which will place responsibility for a fire upon the individual where it is due to culpable negligence. Under the old common law this was the case even when a man set fire to his place by accident and another man's property was destroyed. Under the Code Napoleon of France, if a fire occurs on a man's premises he is presumptively to blame for it, and the burden is upon him to prove to the contrary, or stand any loss to his neighbors' property that may be caused. We are attempting, by a suit which I recently brought in New York, to make a property owner pay for the cost of extinguishing a stubborn fire which occurred last January. Two years ago orders were issued against this place for the installation of a sprinkler equipment, but were ignored. In the January fire fifty firemen were injured. The suit which I have brought is to recover $1,500, the cost of extinguishing the fire by our department. If we are successful in that suit, I think the result will have some educational value. * * *

The principal difficulty we have in New York City is that altogether too many agencies are dealing with the matter. We have inspections of buildings by no less than five departments. Last year the jurisdiction over factories was divided between the fire department and the State labor department, the fire department retaining authority over the installation of fire extinguishing appliances and the ordering of fire drills and installation of fire alarm systems, and the labor department was given authority over the important matter of construction and exits. A new board, known as the industrial board, was created to administer the law for the State labor department, and that board has not yet completed its regulations and gotten ready for operation. The result of having so many departments inspecting buildings, with the power to issue orders to property owners, has naturally resulted in a great deal of dissatisfaction and some confusion. Property owners complain that they are being constantly inspected and that orders frequently contradictory are given to them by different departments. Undoubtedly there is foundation for this complaint. At best, our New York City property owners have a heavy burden to carry, and it is unfortunate that in making legal provision for fire prevention and the protection of lives of workers that our legislature has not provided for simplified administration. In the fire Department we are doing the best we can to come to a working understanding with other departments so as to minimize the hardships upon the property owner, so as to arrive at a uniform standard of requirements and to put an end to any conflict of orders or of authority. A special committee, on which the fire department is represented, is working to this end, and I hope that before long we will have arrived at as satisfactory a working arrangement as it is possible to reach under the existing law.

We can never have satisfactory administration, in my opinion, so long as the jurisdiction is divided among so many departments. There is no question in my mind but that the power now divided among five city departments should be concentrated into one. Then the property owner would not be subjected to inspections under five separate jurisdictions and he would not receive orders to-day from one department for changes in his buildings and to-morrow receive orders from another department for additional alterations. With one department dealing with the matter, a building could be inspected and the fire prevention requirements from all standpoints ascertained, orders given for the necessary changes and the building disposed of, without the constantly recurring inspections which we now have. Under that arrangement the property owner would know what to expect, and he would have a uniformity and permanency of requirements which are not now possible. * * *

Just one word about the work of the Fire Prevention Bureau this year. Under the able management of Mr. Joseph O. Hammitt, it has proceeded in an orderly and systematic way to standardize its work. The total number of orders issued during the first quarter of this year was 6,772, as against 5,730 for the same period last year; and the total number of orders complied with for the first quarter of 1914 was 4,875, as against 2,734 for the same period of last year. It is in the number of orders complied with that the test of the bureau's work is to be found.

Powell Evans, of Philadelphia, spoke briefly on the same subject, and urged that if statistics are to be of their highest value, they must be the product of co-ordinate work by municipalities and insurance companies.

ADDRESS BY MANAGER W. H. MERRILL.

"New Features in the Work of Underwriters' Laboratories" was the title of a highly interesting address by Manager W. H. Merrill. He said, in part:

In addition to the Chicago plant, which is now pretty fully equipped, we have had in successful operation for something over a year a station in the city of New York, devoted up to

Digitized by Google

the present time almost exclusively to electrical testing. The very encouraging results obtained from the operation of the New York station in the electrical field lead us to the hope that we may be able to expand in the East so as to cover certain other branches as well. I have in mind particularly articles that we refer to as staple products, for which standards are well established and on which all necessary research work has been completed here at the Chicago station. We have found that under the single direction of the Laboratories, and with our standard forms of test apparatus, absolute uniformity in results is obtained, and with the usual counterchecking in test work it is now quite immaterial from our point of view whether an electrical switch or socket or fuse is tested at the Chicago or the New York station. The results are shown to be identical.

On the other hand, it is a matter of considerable convenience to the submitter to find facilities for work of this character in the East as well as the Central West, as proof of which it may be cited that the volume of electrical work at the Chicago station has in no wise diminished since the opening of the New York station, and that to-day the New York station is doing a volume of electrical work about the same as that of the Chicago plant.

It is our ambition to afford similar facilities in the East to cover staple products in other lines, including fire windows, fire doors and similar retardants, many appliances using gases and oils, and certain routine test work on automatic sprinklers and other hydraulic appliances. Whether or not this ambition will be realized remains to be seen, but I have a reasonable expectation that before many years we may bother you with an invitation to visit something in the way of a testing station of Underwriters' Laboratories every year instead of once in two years, as at present.

In response to recommendations made in a report to the British Government by the English Trade Commissioner in Canada, we have opened an office in London for the inspection of English-made goods intended primarily for export to Canada and the United States. The chairman of your committee on controlling equipments for electric fire pumps, who is one of the chief members of our staff and the chairman of your electrical committee, sailed from New York last Saturday to visit our London office and look over the field of our work across the sea, which shows some prospect of extending outside of England into Germany and Italy.

It should be borne in mind that Underwriters' Laboratories are necessarily something more than a shop or shops equipped to conduct experiments on sample wares. If our work began with the construction of a suitable apparatus for testing and ended when a test on a device or material was completed, the work would be interesting and instructive, perhaps, but of limited practical value. Our problem has been to devise machinery for the proper digestion of the data obtained in the tests and to insure its being utilized in a proper, thorough, intelligent, honest and uniform manner, and afterwards to bring the conclusions reached to the attention of the public. In other words, to design means whereby property owners everywhere could readily distinguish between superior and inferior fire appliances, materials and fittings. Recognizing the established fact that correct conclusions from data obtained in laboratory experimentation can best be drawn by persons having extended field experience with the articles tested, we have always restricted our output in the way of reports to those which have received the formal approval of the Council of Underwriters' Laboratories, which, as you know, is made up of twenty-two of the leading experts of the United States and Canada, having a most extended experience in this field of work, and which includes among others a representative of the Federal Government in the person of Dr. S. W. Stratton, Director of the U. S. Bureau of Standards. * * *

Mr. Merrill pointed out that the Laboratories have branch offices and agencies in eighty cities outside of Chicago and a number of special agents are constantly on the road. In about 1,000 factories representing about 100 industries inspectors are constantly employed approving manufactured product and affixing the label. In 1913 approximately 40,000,000 labels were used, as compared with about 30,000,000 the previous year.

The committee on hose couplings and hydrant connections gave a report, which was read by its chairman, Frank M. Griswold, whose resignation was the concluding portion of the report, as already stated. Other reports were given by the committee on automobile fire apparatus, in which it was stated that tests had now been conducted sufficient to warrant the submission of tentative specifications for the construction of automobile fire apparatus; the committee on high pressure fire service systems, the committee on fire pumps and the committee on private fire supplies from public mains. In the report of the committee on fire pumps, Chairman Lacount recommended important changes; and the report of Mr. Blauvelt, as to private supplies from public mains, recommended the appointment of a committee to standardize charges for such service. This is a question of moment all over the country.

VISIT TO THE LABORATORIES.

Wednesday afternoon was devoted to a visit to the plant of Underwriters' Laboratories, Inc., which was made very enjoyable on account of the excellent arrangements made for the escort and entertainment of the visitors. Afterward a practical demonstration of the fighting of gasoline fires was given a short distance from the buildings, which was witnessed with great interest.

THURSDAY'S PROCEEDINGS.

Thursday was devoted to the reading of reports of committees, some of which were voluminous, especially that of the committee on field practice, which was received and referred to the executive committee, to be held thirty days for criticism before being promulgated.

Chairman F. E. Cabot read the report of the electrical committee, which stated that no changes have been made in the code during the year, but that subcommittees are at work on important matters, notably the effort to bring about a national standard for the construction of high potential lines. A standard set of rules for handling appeals between inspectors and contracts has been formulated and adopted. Changes at Providence, R. I., which uses a 250,000-volt system on both alternating and direct circuits, are being worked out so as to make possible the discontinuance of certain modifications of the code which were prepared especially for this system.

The committee on fire protection coverings for door and window openings was principally in simplification of language, and suggested no changes otherwise.

There were no reports by the committees on automatic sprinklers and fire hose.

The fact that flexible metal tubing for gas connections is not giving satisfaction was brought out in the report of the committee on explosives and combustibles, and Chairman Hexamer said that the committee is giving serious consideration to the advisability of preparing specifications for rubber hose for this purpose.

The report of the committee on fire resistive construction was read by Chairman Ira F. Woolson. The report made the following recommendations:

The use of the term "fireproof" is recommended to be discontinued. This general term has been erroneously applied to buildings and materials of a more or less fire-resistive or incombustible nature. Its indiscriminate use has produced much misunderstanding and has often engendered a feeling of security entirely unwarranted. The term "fire resistive" shall be applied to all structures or materials which will satisfactorily resist the effects of a serious fire in accordance with the classification given below.

Much time and thought have been given to the planning and construction of buildings to render them fire resistive with good results, but the committee feels that with comparatively little expense greater results may be obtained by providing fire resistive furnishings and equipments to protect the lives of the occupants and the contents of the building. Although it is not expected that the standard here recommended will be universally adopted, the committee has reason to believe there is a demand for such a standard, and that many will avail themselves of some, if not all of the suggestions herein contained, and the committee

Digitized by Google

is strong in this belief because already there are many buildings equipped in accordance with the standard herewith proposed.

RECOMMENDATIONS.

1. All solid partitions to be of metal lath and cement plaster, terra cotta, brick, magnesia, or other incombustible material, and all doors with trim shall be of metal or metal covered or other non-inflammable material, and no wood shall be used except metal covered.

2. All glazing of sash partitions, including doors, shall be of ¼-inch wired glass in metal frames, with the balance of the construction of metal, or metal and plaster, or other incombustible material, and no wood unless covered with metal shall be used.

3. Wooden slat partitions or slat guards back of fire doors or elsewhere shall not be used; wire screens set in metal frames or other metal guards are suggested.

4. All shelving shall be of metal or other suitable, incombustible material. Where the contents of the shelving is of an inflammable nature, the fronts of all shelving are to be provided with doors of same material as shelves, and if required to be glazed, the same must be done with wired glass fastened with metal independent of putty.

5. All the clothes lockers or closets shall be of metal, and not more than ten in one space or area, unless kept in a separate room enclosed with fire-resistive partitions and doors.

6. All furniture such as tables, benches and chairs shall be of metal or other fire-resistive material. No wood shall be allowed except in tops where the under side must be protected with metal.

7. All stock rooms or storage rooms containing inflammable goods must be enclosed to the ceiling with fire-resistive material; no wooden slat partitions shall be used.

In order to reduce the fire hazard due to inflammable goods, it is recommended where large quantities are stored to have more than one room, and that the area of no such room exceed 500 square feet unless the goods are packed or stored in separate enclosed fire-resistive shelving or closets, in which case the area of stock or storage room is not to exceed 5,000 square feet unless equipped with automatic sprinklers, in which case it is not to exceed 10,000 square feet.

8. No inflammable material, unless in actual process of manufacture, is to remain exposed; but shall be kept in fire-resistive stock or storage rooms, or fire-resistive enclosed shelving or closets.

9. Fire-resistive solid boxes or receptacles with covers of metal or wood metal covered, are to be used for all waste, rubbish or refuse, which must be collected and placed therein twice a day, and removed or destroyed once every day. Oily waste or rubbish should have the receptacles set above the floor on legs, twelve inches high.

Small quantities of excelsior or other inflammable material used for packing shall be kept in fire-resistive receptacles, and large quantities should be stored in separate fire-resistive rooms or vaults.

10. The use of electricity is recommended in preference to gas for illuminating purposes, and where gas is used for such purpose it should be properly safeguarded. Steel or wrought iron pipes should be used throughout with properly located valves, and except for removable parts rubber hose should not be used. Any material of an inflammable nature shall be protected from the flame or heat of the gas apparatus by metal and asbestos or other fire-resistive non-conductor.

11. Where there is inflammable material of any nature, either in process of manufacture or in storage, there shall be no smoking and the occupants are to carry no matches except of the safety type.

12. The premises are to be provided with standard equipment of automatic sprinklers.

13. There shall be no screens, curtains or hangings of an inflammable nature.

14. All paints, oils, grease, etc., shall be kept in closed cans and when not in use should be stored in a separate room or closet enclosed with fire-resistive partitions and fire-resistive doors.

The meeting adjourned, *sine die*, late Thursday afternoon.

(*Continued from page* 400.)

Competition in the West with Lloyds and non-affiliated companies will probably be materially decreased under the operation of the new rules adopted by the joint conference committee of the Western Union and the Western Insurance Bureau, which became effective in that territory on Monday of this week. They consist principally in liberalized forms with special reference to those used in covering large properties. Hail clauses may be attached to tornado policies under the new rules in consideration of an additional premium of not less than ten cents for one year, twenty cents for three years and thirty cents for five years. Consequential damage is not included in tornado policies, but must be written specifically. Following the controversies in Omaha, it has been decided that no floating tornado policies covering unspecified real property shall be written to cover the interest of either owner or mortgagee. Changes in rates have been made on certain classes of tornado risks that have proved specially hazardous.

A **birthday anniversary** was celebrated on Wednesday of this week by **Elijah R. Kennedy,** who says he is only as old as he feels, and that is not by any means aged. Mr. Kennedy is an untiring worker, being busy now outside of office hours writing a book on Daniel Webster, which is to be published later in the year. It will be remembered that Mr. Kennedy not long ago achieved distinct success with his book, "The Contest for California in 1861," which was declared to be a very important historical publication. He is a close student and ardent admirer of Daniel Webster and his forthcoming book is sure to be worth while. He has been a prominent figure in fire insurance for many years, and there is every promise that his influence and activity will be continued for many years to come. On Thursday Mr. Kennedy entertained a small party of personal friends at golf, in which game he takes particular delight.

A golf tournament for fire company officials resident in the East will be played at the Somerville Country Club, Somerville, N. J., on Wednesday, May 27. Entries may be sent to Louis Bayard, 100 William Street, each entry to give the club handicap. A fee of $5 to provide prizes and the luncheon and dinner is charged. A medal score eighteen hole handicap will be held in the morning with prizes for the best gross score and the first and second best net scores. Eighteen hole, four ball, medal score handicaps will be played in the afternoon. The committee in charge is composed of C. F. Shallcross, Louis Bayard, Jr., Sheldon Catlin, George B. Edwards, J. S. Frelinghuysen, J. A. Kelsey, Henry E. Russell and C. F. Sturhahn.

Promotions do not flourish in stern and rockbound Maine. The **Maine Fire and Marine,** which has been on the ways for two years, made a slide into deep water last week under the examination of the insurance department, and the salvage, out of $4,640 paid in, is only a little over $60. $3,000 is unaccounted for. The company was promoted on the allegation that it would have a million dollars capital and an equal surplus. The examiner's report states that no cash book, ledger or other books appear to have been kept. The first officers of the company were W. F. Hardy, president; H. P. Sweetsir, secretary and treasurer. In October, 1912, Mr. Hardy got out and was succeeded by Mr. Sweetsir, and A. F. Meserve took the latter's place.

A rousing meeting of the **Insurance Federation of Ohio** was held at Columbus, Wednesday, presided over by President W. S. Diggs of Cincinnati. The organization, though only a year old, has a membership of over two thousand. After a business meeting in the afternoon, a fine banquet was held at the Southern Hotel in the evening, when addresses were made by E. W. Davis of Cleveland, President L. H. Stubbs of the Missouri Association of Local Agents and Assistant Secretary James V. Barry of the Metropolitan Life. A vigorous campaign for still greater membership in all lines of insurance will be instituted immediately. The Federation has already made itself strongly felt in the State in many ways.

The new joint conference committee of the Western Union and the Western Insurance Bureau **completed its organization** this week by electing as chairman Manager Walter H. Sage of the German American at Chicago, Manager Charles H. Barry of the Pennsylvania Fire as vice chairman and Manager Neal Bassett of the Firemen's of Newark as secretary. Manager Sage was in New York this week in conference with home office officials. He is specially qualified to handle the meetings of the conference committee, as he is one of the best posted underwriters in the Western field and is a pronounced conservative.

Unprofitable classes in the New England and Middle States are pointed out by the *Journal of Commerce,* there having been destroyed since December 1 in that field theaters valued at about $800,000; hotels, $800,000; lodges and masonic buildings, $150,000; churches, $950,000; colleges and schools, $1,000,000 each; garages, $500,000; homes, $50,000. It is urged that these classes should have special attention from rating organizations. Losses in Lynn,

Digitized by Google

Salem and Peabody have been particularly bad since December last, over $600,000, exclusive of losses under $10,000, having occurred there, according to the *Journal of Commerce* records.

The appointment of Deputy Attorney General Joseph W. Keller to be **counsel to Insurance Superintendent Frank Hasbrouck,** to succeed Alfred J. Talley, who recently resigned, was announced this week. Mr. Keller is a graduate of the New York University Law School and has been engaged in the practice of law in this city many years. He served several terms in the legislature and was afterward private secretary to Attorney General Thomas Carmody. For two years he has been a deputy attorney general at the New York office and has had charge of important litigation in that capacity.

Suit has been brought **at Chicago** by the widow of the late Conrad Witkowsky to restrain Charles E. Affeld, her husband's former partner, and the new firm of Affeld, Tonk & Co., from using the records and expirations of the old firm. Mrs. Witkowsky claims she was told that her husband's interest in the firm expired with his death and that she had no share in the business as his heir. She asks access to the information. The firm was one of the oldest in Chicago and for years held the general agency of the Hamburg-Bremen. Mrs. Affeld and her son have formed a new partnership.

The **Fire Brokers' Association of the City of New York** at a meeting of the directors this week outlined plans for a widening of its influence through the establishment of associate memberships at a nominal charge. Through this means it is planned to bring together this class of insurance men in all the large cities of the State. This will mean a big extension of influence. The resignation of William B. McClellan as manager was accepted with regret and Harrison Law, the well-known fire and casualty actuary, was elected secretary.

Abuses by unauthorized agents will be **greatly minimized** through the increased power given the State insurance department of New York in prosecuting such cases, following the strong decision this week in the case against C. N. Pinckney and the C. N. Pinckney company, handed down by the Appellate Court. The conviction in the case was confirmed, whereby the agent and his company were fined, after being found guilty by the Court of Special Sessions in August of last year.

The **Scottish Union and National** of Edinburgh, according to reports from London, is negotiating for the purchase of the Maritime of Liverpool, on a basis of £8 15s. cash per share for the stock of the latter company. It is understood that the Maritime is to be continued as a separate company. It was established in 1864 and writes marine only, with a capital of £500,000 subscribed and £100,000 paid. Its annual premium income is about £300,000.

An echo of the bitter fight for the appointment of women as inspectors in the New York Bureau of Fire Prevention was the resignation this week of Miss Juliette Arden, one of the incumbents. Miss Arden, in a letter to Commissioner Adamson, states that after three months of unfair treatment she could stand the conditions no longer and was forced to resign. The women were looked upon as usurpers of men's places, she said, and were intimidated.

The National Board engineers in a recent **report on East Orange, N. J.,** criticise that city chiefly from the standpoint of the conflagration hazard. One-half of the construction in the congested district is frame, the fire department is undermanned and it has no facilities for furnishing powerful streams. In the minor mercantile districts serious group fires are probable, the report states, though they should not involve other sections.

A valuable addition to New York talent is the removal to this city of Jefferson Pearce, who has resigned from his long field connection with the North British and Mercantile in charge of North Carolina and Virginia to take a home office position with the German American. Mr. Pearce, it is understood, will have general supervision in his new position of underwriting matters in Southeastern territory, with which he is thoroughly familiar.

Investigation by the detective department of St. Louis into the cause of the **Missouri Athletic Club fire,** which cost thirty lives, among them Arthur T. Ranus, State Agent of the New York Underwriters, has brought a report of defective wiring. A current for lights on a temporary stage in the dining-room, according to the detective's report, was placed without a permit and was fastened to the back of the wooden stage with metal staples.

Although there is a general opinion that the **Kansas anti-discrimination act** applies to interinsurers, Superintendent I. S. Lewis has as yet taken no action to determine their compliance under it. The department, however, proposes to act shortly and with vigor against violators of the requirements of the inter-insurance act, especially as it is reported that several are not complying with the $25,000 reserve requirement.

A bill for a **State fire insurance fund** of $200,000 will be introduced in the next California legislature, according to plans announced by the California Commercial Club of Los Angeles. This, they claim, would allow the State to compete with the stock fire insurance companies. The size of the fund, compared with even the San Francisco losses of one average sized company, is amusing—or worse.

Brokers in Maryland are all affected by the new license law which went into effect there May 1. All applicants for license must apply on a form and answer certain questions to the insurance department. Corporations and partnerships as well as individuals may be licensed as brokers, but their applications must specify the individuals who will operate under the license.

The annual election of officers of the **Insurance Society of New York** will be held on May 26. President F. C. Buswell has declined to serve another term, and a nominating committee has been appointed, consisting of Messrs. Henry E. Hess, A. M. Thorburn, A. R. Hosford, R. P. Barbour and Willis O. Robb. Ballots will be furnished and the voting will be by mail.

An increase in capital of the American Automobile insurance company of St. Louis is being made, amounting to $350,000, which will bring its total up to $750,000. The sale of this amount of stock will afford an ample surplus and facilitate a vigorous campaign for new business. The company has made a fine record thus far.

Jackson, Miss., is completing a **new waterworks system** and the Board of Trade has appointed a committee which will work with the municipal commission in an effort to secure lower rates on some classes which under old conditions were almost prohibitive. Dwelling rates have been especially high, it is claimed.

Complaint is being made of heavy and **continued losses** in Albany, Troy and Cohoes, together with the suburbs of those cities. In the *Journal of Commerce,* an underwriter calls atten-

Digitized by Google

tion to the records of over a million dollars of losses in that territory in five fires alone during the past four months.

Mississippi has confirmed the practice of the insurance department in collecting the same **licenses, taxes and fees** from underwriters' agencies as from the parent companies, by a decision of the attorney general. Insurance Commissioner T. M. Henry has enforced this practice for some years past.

The **Albany Board of Fire Underwriters** has elected the following officers for the current year: President, E. M. Griffiths; vice president, E. J. Dignum; secretary, T. C. Naulty, and treasurer, George H. Russell. Mr. Griffiths is one of the leaders in the New York State Association of Local Agents.

Local **agents in Southeastern Texas** have formed a special group to promote the interests of the organization in that section. Fifty-five members representing nineteen counties met last week at McAlester and elected V. W. Snyder, of Holdenville, president and Clyde Coon, of McAlester, secretary.

One of the addresses on the programme of the **National Convention of Insurance Commissioners** this fall is to be by Insurance Commissioner Henry of Mississippi. Commissioner Henry will speak on "Local Compulsory Investments."

The **Metropolitan Fire of Louisville,** Ky., has been licensed by the Kentucky insurance department and will begin writing business shortly. It has a paid-in capital at present of about $75,000.

An **improved risk department** has been established by the American of Newark in charge of Frank Mitchell, former assistant manager of the engineering department of the Continental.

Life Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

May 21—Actuarial Society of America at Hotel Astor, New York City.
May 22—The Conference of Southern Life Insurance Companies at Atlanta, Ga.
May 26-28—Penn Mutual Agency Association at Marlborough-Blenheim, Atlantic City, N. J.
June 4-5—State Mutual Life general agency convention at Detroit, Mich.
June 16-19—Modern Woodmen of America at Toledo, O.
June 24-29—Fidelity Mutual Life, agency convention at Atlantic City, N. J.
July 27-30—Life Underwriters Association of Canada at Halifax, Ont.
August 17-19—National Fraternal Congress of America at Niagara Falls.
September 8-11—Agency clubs, Equitable Life Assurance Society at Cape May, N. J.
September 15-17—National Association of Life Underwriters at Cincinnati, O.
September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.
September 21-26—Third International Congress on Diseases of Occupation at Vienna.
September ——New York Life $200,000 Club at Colorado Springs, Col.
October 7-10—American Life Convention at Dallas, Tex.
——National Association of Mutual Life Underwriters at Chicago, Ill.

Decided **opposition to changes in the life report blank,** along the lines proposed by the committee on blanks of the National Convention of Insurance Commissioners, is shown in a review of replies from actuaries and companies sent out this week by Secretary T. W. Blackburn of the American Life Convention. Only two companies, says Mr. Blackburn, both of New York, favor the changes. Assurances have been given by the commissioners that the blank will not be adopted this year. The committee will meet in New York May 18. The proposed changes are for a better classification of disbursement items and also for a so-called "revenue" basis instead of a cash basis. Companies so far heard from say there is no apparent reason for the changes outlined and that they would entail wide changes in present systems, in addition to lessening the value of statistics compiled in years past upon the old basis. The complete rearrangement of the bookkeeping systems of several hundred companies at corresponding cost to serve no apparent purpose is also pointed out. The situation is summarized in a telegram from a meeting of Indiana actuaries held April 9, as follows:

A majority was opposed to the plan of revenue account as distinguished from cash basis. Especial objection is taken to Item 27, page 7, having "excess of the terminal net values of their policies," when it should be mean reserve values. The effect with preliminary term policies is, that no part of first year outstanding premium will be allowed as assets, although such policies will be charged with reserve liability. The effect also extends during subsequent years. This is incorrect in principle and imposes a hardship on small companies. The greater segregation of accounts and arrangement of items is commendable. Is the American Life Convention taking any active interest in the revision? We consider it a very important matter.

The practice of **submitting contemplated rulings** to the companies in advance **for criticism** is being tried out by Insurance Commissioner Ekern of Wisconsin. The life insurance companies have this week received the following proposed ruling, which Mr. Ekern expects to promulgate on June 1:

Under Section 1950 of the Wisconsin Statutes, requiring every life company to hold funds to provide for its reserve liability, and under that part of Section 1948m which reads:

"After the year 1909 no policy, other than a policy of industrial insurance where the premiums are payable monthly or oftener, shall be issued or delivered in this State, unless it contains in substance the following provisions:

"1. Specifying the table of mortality and rate of interest and method upon which the reserve on such policy is to be computed."

Every life insurance policy submitted for approval must contain a clause substantially as follows:

"The reserve for which funds are to be held upon this policy shall be computed upon the.....Table of Mortality and interest at..... per centum by the.....method."

This clause may be written or stamped upon, or be contained in a rider attached to policies heretofore filed and now in use.

The same section also requires that the policy contain a provision "specifying separately the premium charged for any benefit charged in the policy other than life or endowment insurance." Every life insurance policy submitted for approval providing for disability insurance in any form must therefore contain a clause stating the part of each premium payable on the policy charged for such disability in such form that the actual premium charged for the life or endowment benefit may be determined from the policy.

This clause may be written or stamped upon, or be contained in a rider attached to policies heretofore filed or now in use.

For some unaccountable reason one of our contemporaries has chosen to assail the figures quoted by this paper in the issue of April 4, when it was stated that the life insurance companies reporting to the New York insurance department owe their New York policyholders $3,000,000,000, or, for the sake of comparison, "an amount equal to the national debt." The criticism alleges that the statement as to the national debt was "somewhat wide of the mark," and gives $1,339,781,735.16 as "the total debt." This paper is **not in the habit of guessing** at figures, and if the critic had examined the report from which he evidently took his "total" a little more carefully he would have discovered the following: "Gross debt, $2,954,503,704.16," which, being an official statement by Secretary McAdoo, should satisfy even the most enthusiastic carper. If it had been desired to compare life insurance in New York with the net debt we should have done so. The net debt given in the official report containing the sub-total quoted by our contemporary was $1,082,261,345.59.

Digitized by Google

An excellent **pictorial example** of the working of the principal forms of legal reserve life insurance policies has been compiled for the use of agents by Edward H. Dark, assistant supervisor of agents of the United States Annuity and Life of Chicago. It is copyrighted. The circular is in the form of an illustrated diagram, showing in each case the original premium deposit at age thirty-five, as placed by the hand of the policy-buyer in the protection bank. A straight line from that to the money bag representing the final maturity of the contract shows the gradual growth of the values in moneybags of increasing size at five- and ten-year periods. The illustration covers whole life, limited pay, term, endowment and single-premium life, and these circulars explain briefly and clearly the comparative value and uses of the several forms. Mr. Dark has enjoyed a broad experience in the business and brings to the aid of solicitors a new and practical idea. The circular is being offered in quantities to companies.

The **receivership of the Universal Life** of Cleveland, Ohio, recently determined upon by the insurance department of that State, brings to an end another of the propositions which during the past five years attempted to sell stock for the purpose of buying and amalgamating other life insurance companies. The Universal never qualified as a real life insurance company. The only company that the Universal ever secured control of was the Pioneer Life of Kansas City, though its promoters were affiliated with the Toledo Life for a time. Its control of the Pioneer was severed after a brisk fight a month or so ago, in which a prominent part was played by President W. H. Hunt of the Cleveland Life, who has been waging a widespread and well generaled war against insurance schemes in the State of Ohio.

Assessment life insurance is receiving the attention of the Illinois insurance department, three companies being **under investigation.** They are the Royal Benefit Society of Washington, D. C., whose headquarters is at Springfield, the American Assurance Corporation of Peoria and the Anchor Life of Indiana. The American Assurance, which is an agency organization, has sent out letters that it is now in control of the other two. Information has been denied the Illinois and District of Columbia insurance departments, and in Illinois an injunction is asked to prevent the Royal Benefit Society from transacting further business or leaving the State until some seventy death claims on which complaints have been filed with the department have been paid.

The **internal dispute** in the Merchants' Reserve Life of Chicago has been **settled by compromise,** the old officers agreeing to withdraw in favor of the following: President, J. W. Luther; vice president, Ernest Saunders; treasurer, H. L. Pierce; secretary, S. B. Fleager. The settlement provided a payment of $11,500 to Charles L. and J. C. Hendricks and E. A. Loomis, the former president and secretary and vice president, in final settlement for the stock held by them in the Merchants' Reserve Agency Company, which was subsidiary to the insurance company. The compromise was brought about by Insurance Superintendent Potts, who said that otherwise he would put the company officials under oath. The former president was charged with improper practices.

A conference was held in St. Louis last week between committees from the Association of Life Insurance Presidents and the American Life Convention on matters pertaining to the closer **co-operation between the assocaitions.** It is believed the ideas of the two will coincide on important subjects affecting the business of life insurance. Those attending the conference were Robert Lynn Cox, general manager, and Major J. J. Brinkerhoff, actuary, for the Association of Life Insurance Presidents, and Henry Abels, president, T. W. Blackburn, secretary, and J. B. Reynolds, representing the American Life Convention.

The Equitable Life has appointed **S. Samuel Wolfson** as district manager at 43 Bible House. Previous to May 1 Mr. Wolfson was active in the general insurance agency of Wolfson & Lipstein, in which he will retain his interest, though Henry K. Lipstein will be its active manager. Although he has had six years' experience in the business, Mr. Wolfson is probably the youngest man who has ever been a district manager for the Equitable, having but recently passed his twenty-first birthday. Mr. Wolfson has started right in to make things hum and his energy is of the kind that goes a long way.

The *American Underwriter* **Pocket Chart of Life Insurance Companies** has been received this week. It is the only one-page chart published and contains an exhibit of their operations during 1913 and their status at the end of the year, including the ratios of each company's excess of income over disbursements and of the expenses of management. Seventy companies which commenced business since 1909 are reported by themselves. The chart sells for 25 cents per copy.

Final arguments in the **Prudential mutualization** matter are being heard at Newark by the board of appraisers as this paper goes to press. It is expected the session will continue for two days, after which the board will prepare its findings. A mass of testimony has been produced at the various hearings, large exhibits having been made in behalf of the stockholders, both majority and minority, as well as by the attorneys for the company and the policyholders.

The Germania Life has advanced **T. Louis Hansen** to the position of superintendent of agencies. Mr. Hansen has been with the company eighteen years in various capacities, in each of which he has demonstrated his ability. For the past five years he has been assistant to Second Vice President M. A. Wesendonck in the agency department.

The **Royal Life of Chicago** has received its license and began writing business this week. Its organization has been completed in Kentucky, Indiana, Ohio, Michigan, Missouri, Iowa, Wisconsin and Nebraska, and applications for $500,000 of insurance were waiting when the license was received. Alfred Clover is president of the company.

The Union Mutual Life has appointed **Byron C. Howes** manager at its Chicago office, succeeding the late Hervey S. Dale. Mr. Howes has been cashier at the Chicago office for three years. He is but twenty-six years of age and is one of the youngest managers in the city.

The report of the seventy-sixth year of business of the **Scottish Provident Association** shows a total of 2,548 new policies during the year for insurance amounting to £1,652,235, the largest volume of new business in its history.

The **United States and Dominion Life,** which never attained a business age, was placed in the hands of Receiver John A. Ecklund of Duluth this week. Its president was J. H. Block, a former State treasurer of Minnesota.

The **Life Underwriters' Association of Western Pennsylvania** has elected Richard Oliver as its president.

Digitized by Google

Casualty Insurance—Surety Bonding.

Dates ahead. The following announcements have been made regarding coming conventions:

July 20-21—Southern Casualty and Surety Conference at Signal Mountain Inn, Chattanooga, Tenn.

September ——International Claim Association (place to be announced).

September ——Brooklyn Safety Exhibit.

September or October—International Association of Casualty and Surety Underwriters.

September 8-10 (tentative)—American Association of Accident Underwriters at Niagara Falls, Ont.

September 8-11 (tentative)—Detroit Conference at Atlantic City.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

Boston dispatches in the morning papers say that **Professor F. Spencer Baldwin,** who has been secretary of the Massachusetts Employees' Insurance Association in addition to his work as dean of the college of business administration and professor of political economy at Boston University has resigned all three to accept a position with the New York State Workmen's Compensation Commission. Inasmuch as the position of manager of the State Fund is the principal open place in the office of the commission, it is supposed that he is to head the administration of the New York workmen's compensation insurance fund. Neither Chairman Dowling or Secretary Spencer is in the city as we go to press, and official confirmation of the report is lacking. In case the report is true the expressed desire of the commission to secure a man who is not prejudiced against state insurance will be satisfied, if Professor Baldwin's address at Old Point Comfort in 1912 may be taken as an indication of his attitude.

The annual meeting of the **Burglary Insurance Underwriters' Association** was held in New York this week and new officers elected. The cost of operating the association has been 23⅓ cents per $100 of premiums during the year past. Ten thousand notices of loss were handled and 260,000 cards were distributed to the membership. The meeting adopted a resolution permitting the coverage in residence burglary policies of the effects of guests for an additional premium of 30 per cent. The Hartford Accident and Indemnity was elected to membership in the association. The proof of loss committee made certain recommendations for changes in the forms used by some companies. A committee of three was appointed to prepare standard clauses for robbery policies. The question of whether coverage under robbery policies after office hours should be regulated by the association was referred to the robbery committee. The following standing committees were announced:

Bureau—F. S. Garrison, chairman; John Best, V. E. H. Hoagland.

Bank Burglary—George G. Brainerd, chairman; Arthur L. Amos, W. P. Learned.

Chicago Agency—T. Stuart Smith, chairman; E. G. Bogart, R. W. Myers, E. B. Anderson, E. S. Keating.

Mercantile Open Stock—R. S. Sherman, chairman; A. O. Randall, Frank R. Aiken.

New York and New Jersey Agency—Russell A. Bliss, chairman; E. G. Bogart, E. J. Miller, John E. Watson.

Residence Burglary—H. H. Vaux, chairman; John J. Flynn, Charles H. Hall.

Robbery—William P. Learned, chairman; J. A. Kenny, E. B. Anderson.

Tourist Floater—E. S. Keating, chairman; Russell A. Bliss, John Best.

The new officers are: President, Robert J. Hillas, Fidelity and Casualty; first vice president, Edwin W. De Leon, Casualty Company of America; second vice president, Rawdon Myers, Ætna Accident and Liability; treasurer, Ralph P. Luckett, United States Casualty; secretary, Samuel B. Brewster.

The matter of **automobile liability** rates and coverages reached a **crisis** this week when the Travelers announced its determination to cut the prevailing rates 25 per cent. Other companies had been announcing unlimited coverages and the whole situation became chaotic. No relief was afforded by a conference of underwriters on Wednesday, although the New York insurance department was represented at the meeting for the purpose of giving information as to the law and the desires of the department. On Thursday the Workmen's Compensation Service Bureau considered the situation at an all-day session. The morning meeting resulted in no agreement being reached, and in the afternoon the conferees adjourned to visit the offices of the New York insurance department, where the State officials were asked to sit in. After about two hours the underwriters returned to the offices of the Bureau, where the session was continued until late in the evening. At that time the whole matter was adjusted by all the companies agreeing to withdraw any unlimited coverages at no extra cost, while the Travelers agreed to withdraw its reduced rate. Thus the bureau companies are now committed to the manual rates and rules. While the demoralization was on the New York insurance department sent out letters to all the companies asking for information regarding rates and practices, the inference being that the department intended to see if any violation of the anti-discrimination law existed. Attention was called to the fact that since May 1 changes in rates must be approved before they can be used. Underwriters seem to believe that the trouble is now over and that harmony will prevail as to automobile liability insurance matters.

The Spectator Company has issued three important publications this week. They are **The Pocket Register of Accident Insurance** for 1914, showing the condition and business of stock and mutual accident and health insurance companies for the five years ending January 1, 1914; the **Handy Chart** of casualty, surety and miscellaneous insurance companies, showing their financial standing and business for the ten years ending December 31, 1913; and the forty-sixth annual publication of the **Life Insurance Policyholders' Pocket Index,** showing the condition and standing of American and Canadian life insurance companies for the five years ending January 1, 1914. Each of these is widely known and highly regarded. Each sells at 25 cents per copy in manila cover, or 50 cents in leather pocketbook style.

The United States Casualty has published a **synopsis of the New York workmen's compensation law** with annotations and a characteristic symposium by President Edson S. Lott. The booklet should prove a valuable aid to the field men of the company in competition with the State fund provided by the law. A strong accident prevention sentiment pervades the publication from cover to cover, the first page saying that "The prevention OF accidents is worth all the compensation FOR accidents in the world," and the last page pointing out that the greatest duty of all insurers and those who carry their own insurance is "The closest possible co-operation for the prevention of accidents."

The **stability** of the State insurance fund established under the workmen's compensation law of West Virginia, which became effective about six months ago, **will be tested** by the catastrophe which resulted in the death of about 175 men in Mine No. 5 of the New River Collieries Company at Eccles, W. Va. The owners of the mine had procured insurance in the State fund at a premium of 1 per cent., and the total liability is roughly estimated to be in the neighborhood of $500,000. The present amount in the fund is not known, but before the collection of the January premiums there was about $200,000 on hand for all purposes.

Digitized by Google

The consideration of rates for **workmen's compensation in New York** under the new law is still on, and a largely attended meeting was held at the New York insurance department on Tuesday, at which the views of insurance experts were heard. The department had requested that the companies file their rates and schedules by May 1, but this was not complied with as they were not ready. It is hoped they may be complete by May 15. Otherwise, the State officials intimated, the rates may be made by the insurance department.

Claim men of various companies met **in conference** at the offices of the Fidelity and Casualty in New York this week, at the call of Vice President Frank E. Law of that company, to consider some of the important problems in connection with handling compensation claims. Among the matters discussed were a schedule of fees for doctors, arrangements with hospitals and a method of splitting up the work of arranging for such schedules and service among the various companies, to avoid duplication of effort.

The governor of Washington has removed J. H. Wallace, a member of the **Washington Industrial Insurance Commission,** and has appointed Clarence Parker as his successor. Mr. Parker helped draft the industrial insurance law and was a candidate for commissioner when the first appointments were made. Governor Lister says that it was necessary to remove either Mr. Wallace or the other two commissioners in order to preserve harmony. Mr. Parker assumed his new duties on May 1.

Casualty company representatives met this week with representatives of the **Safety First Society,** at the offices of General manager A. Duncan Reid of the Globe Indemnity, with the object of securing a common ground for co-operation. A resolution heartily approving the work was adopted after an address by Secretary Elliott of the Safety Society. A special committee was appointed for work on such a plan, composed of Messrs. Dwight, De Leon, Law, Wrenn and Reid.

There is a probability that a number of stock casualty companies will discontinue writing **workmen's compensation** lines **in Texas** on account of the recent reduction in rates ordered by Insurance Commissioner Collier. Petitions against the reduction are being signed by Texas business men in order that they may not lose the insurance furnished by the companies. Mutuals are elated at the prospect of being left alone in the field.

A friendly action for a receiver for the **Employers' Indemnity of Philadelphia** has been started for the purpose of securing a determination of its liabilities and assets following the reinsurance of its risks. The company is in process of liquidation.

The New York insurance department has **completed its examination** of the National Surety and the Massachusetts Bonding, and the reports have been submitted for perusal and hearings. They will be made public after being finally approved.

The Washington attorney-general has ruled that the Spokane and Inland Empire Railway is **exempt** from the provisions of the industrial insurance act.

The Royal Indemnity company is **being examined** by the New York insurance department.

Personal.

AGENCY APPOINTMENTS.

Franklin Fire: Frederick Rutledge, of Asheville, N. C., general agent for North and South Carolina.

New Jersey Fire: M. J. Dillard, of Birmingham, State agent for Alabama.

North British and Mercantile: George H. Spigener, special agent for North Carolina and Virginia.

Occidental Fire: Irvin Underwriting Co., Brooklyn, agents for Greater New York.

Sterling Fire: E. R. Granert, Inc., chief Brooklyn agent.

Mr. Andrew J. Corsa, a prominent Brooklyn fire insurance agent, died there on May 6 of arterio sclerosis following heart disease, aged fifty-eight years. He was Brooklyn manager for the Royal and the Sun, and was the organizer and first president of the Brooklyn Underwriters' Association and was secretary of the Brooklyn Salvage Corps. One of his forefathers was with Hendrik Hudson on the original voyage up the Hudson River.

Mr. George Latham Crum, a general agent in New York City of the Equitable Life, died at Long Branch, N. J., on May 1, from diabetes, aged sixty-eight years. He had gone to Long Branch to open his summer residence. Mr. Crum had been with the Equitable Life twenty-eight years, previous to which he was superintendent of property for the Mutual Life.

Mr. Elliott V. Sommers has gone with the Hartford Accident and Indemnity as assistant to the manager of the liability department. For the past seven years Mr. Sommers has been with the Ocean Accident, lastly as head counterman, and he will assume similar duties in his new connection.

Mr. Edward F. Beddall, United States attorney for the Royal and chief executive of the Queen and the Royal Indemnity, celebrated his seventy-fifth birthday this week. His office associates presented him with a beautiful bouquet containing seventy-five roses.

Mr. Harrison Van Duyne, a director of the Newark Fire since 1890, died this week at his home in that city. He was a former member of the legislature and ex-president of the Board of Street and Water Commissioners.

Mr. Charles W. Hawxhurst, special agent for the New Zealand Fire at San Francisco, suicided at Spokane, Wash., on April 23 by shooting himself in the head. He was forty-five years of age.

Mr. John Hunter is dead at Colombia, where he had been agent for the New York Life for eight years. Previously he had represented the company in Honduras and in Cuba.

Mr. George A. Hilleman, for many years a prominent Pittsburgh life insurance man, died there May 4 after a long illness, aged forty-nine years.

Vice President and General Manager Carroll L. De Witt of the Cleveland National Fire was in New York this week, looking over the Eastern field.

Mr. J. Whaling McDowell, secretary and treasurer of the Southern Home Insurance company of Charleston, S. C., died there April 29.

Mr. Dwight Chester, of the agency firm of Chester & Hart, Boston, died at Newton Center, Mass., May 4, aged seventy-nine years.

Mr. Charles H. Bullock, of the agency firm of Guy & Bullock, Middletown, Conn., died there April 27.

Mr. J. E. Lett, general agent for the Royal Indemnity Company at Dallas, Tex., is on a short visit here.

Mr. J. M. E. Atkinson, a pioneer insurance man at Seattle, died there from apoplexy April 22.

Mr. Howell Tatum has resigned as manager for the Scranton Life at Louisville, Ky.

Official Reports.

Colorado Insurance Report.

The report of the Colorado insurance department has been issued in printed form, and the receipt of a copy is hereby acknowledged. Insurance Commissioner Epsteen precedes the tabular matter with recommendations for some minor changes in the new insurance code of 1913, providing for the consent of the governor only to examinations costing more than $1,000; requiring lists of resident agents to be filed; relieving the companies of the necessity of publication of synopses of their annual statements; reducing the percentage of loans on real estate to one-half the value of the property; for a blue sky law; the New York law governing industrial life insurance as to minors under fifteen; making the reserve deposit requirement for domestic life insurance companies optional; requiring resident agents to be

Digitized by Google

paid the full commission; permitting county mutuals operating upon the lodge plan to transact business in four adjacent counties; permitting the commissioner of insurance to make certain inquiries regarding interinsurance organizations; and providing for the cancellaton of surety bonds by the individual as well as by the company.

As to major changes, the report makes the following recommendations:

1. The State of Colorado needs a suitable, practical workmen's compensation law.
2. A law providing for a standard accident policy should be passed.
3. A conservative, well-planned fire marshal law should be passed.
4. The 2 per cent. tax on the gross premiums collected in the State should be abolished, or at least materially reduced. It is not an equitable tax, and it is a tax on the men of small means.

Most of the life insurance companies are mutual companies. The money comes from and goes to the policyholders; that is, the public. It is an indirect tax on thrift and economy; it imposes a penalty on every one who is conscientious enough to protect his wife and children in the event of his death; it imposes a tax on every one who protects his house against fire, his wages against his possible illness.

The receipts of the department for 1913 were as follows: Taxes, $202,001.75; all other receipts, $49,718.73. The disbursements by Commissioner Clayton for five months were $12,477.88, and by Commissioner Epsteen for seven months were $10,139.77, making a total profit to the State of $229,101.83. The elimination of the item of taxes, as suggested by Commissioner Epsteen, would still leave the State a good profit from the companies. The following are the totals for the various classes of business in Colorado in 1913:

Fire—Risks written, $252,544,762; premiums received, $3,154,335; average rate, 1.42; losses paid, $1,062,883; per cent. of losses to premium, 33.3; losses incurred, $1,077,976.

Life—Insurance in force, $177,276,655; claims paid, $2,184,236; premiums received, $5,628,718.

Fidelity, Casualty, Accident and Surety—Premiums received, $1,324,359; losses paid, $535,808.

Assessment Life and Accident—Premiums received, $101,917; losses paid, $50,414.

Vermont Insurance Report.

The usual summary of insurance business in Vermont has been issued by the insurance department of that State. It carries a very interesting classification of causes of fires and their classification by counties. Mercantile buildings and stores caused the heaviest insurance loss, amounting to $184,422. Saw mills were second, with losses paid of $129,660. The total insurance loss of the State was $504,503 on contents and $505,538 on contents. Fire risks written in the State were $54,097,679 in 1913, as against $50,682,104 in 1912. Losses in 1913 were $445,521 as against $359,072 in 1912 and premiums were $751,419 in 1913, as compared to $689,508 in 1912.

Miscellany.

Barebones Alumni Association.

The seventh annual meeting of the Barebones Alumni Association was held at the Little Roma restaurant on Tuesday evening. It was perhaps the most successful meeting of the association, there being about fifty members present, of whom a considerable number were from the present class at the New York University School of Commerce. The menu was superb and was the subject of comment throughout the dinner.

The guest of honor and speaker of the evening was Deputy Insurance Superintendent James J. Hoey, of the New York Insurance Department. Mr. Hoey gave a delightful informal talk on matters pertaining to supervision in general. He said that the practice of fire insurance in this city has completely changed since he was an insurance broker. At that time the Exchange was a sort of holy of holies, and no information was procurable by a mere broker or assured. After he became a legislator he found there appeared regularly a bill to abolish the Exchange. He inquired and found the bill was inspired by a German merchant, who was paying a high insurance rate without knowing why. He became of the opinion that the companies must open their books, and introduced the resolution which resulted in the appointment of the Merrit investigating committee, and whose report—a classic of insurance history—did more to disabuse public opinion of the feeling that insurance is a monopoly than had been done up to that time. The rating bureaus have now been legalized in this State and a complaint bureau established at the insurance department, with the result that the public now goes to this bureau with its complaints, instead of to the legislature, with much greater satisfaction than under the old plan. The business is on a higher plane, and companies are endeavoring to write insurance at the lowest possible rates consistent with a fair profit.

Mr. Hoey spoke of the practice of insuring by means of a "binder," and asked, "What is a binder?" If the reply be that it is a short form of the standard fire insurance policy, does it conform in all respects to the provisions of that policy, and if so, what about cancellations? The policy provides for five days' notice to the assured with return of unearned premium, whereas binders are cancelled forthwith, without notice to the assured. He intimated that the insurance department might take up this subject for study with a view to finding some uniform method of practice that can be legalized and regulated.

The subject of unauthorized insurance was touched upon, the recent insurance of the property of the Brooklyn Rapid Transit Company at Lloyds, London, being cited as an example. The law of this State makes policies that are issued by companies not authorized to transact business in this State null and void. Mr. Hoey asked whether defense would probably be made on a suit under such policies in case of loss on the ground that there was no liability. What action would the department take against an adjuster of such a loss, in view of the law making such representation of an unauthorized company a misdemeanor?

In introducing Mr. Hoey, President George H. Holden had said that Mr. Hoey would be willing to answer questions. Mr. Hoey evidenced his willingness to ask a few by inquiring who comes under the workmen's compensation law of New York State. He said the Foley-Walker bill presented to the legislators was at least clear, while the present law is a hodge-podge. All previous trouble encountered by the department is but a mark as compared with the workmen's compensation law. The department attempted to have its ambiguities trued up before the legislature adjourned, but was not successful. The authority to approve rates of premium for workmen's compensation insurance will practically mean authority to make the rates, Mr. Hoey thinks. The benefits under the law are too high. Under its provisions, a man earning $30 a week, having six children, might create a liability of $50,000 on his employer. A prediction has been made that unmarried men and aliens will be given preference in hazardous employment after July 1. The effect may be to drive many industries into other States, where the burdens are not so heavy. The system of workmen's compensation is right, but laws should be reasonable. Mr. Hoey cited the "full crew" bill, over the enactment of which railroad men were elated, but, on account of the expense entailed, railroads have been obliged to discontinue trains and lay off men by thousands.

The cost of workmen's compensation insurance in this State will be at least two and one-half times what it is in New Jersey

Digitized by Google

or Massachusetts. The department conducted a hearing this week to get the views of the companies. It has also prepared tentative forms of policies and has submitted them to the companies. It wants the co-operation of the companies in all these matters. It also hopes the new Workmen's Compensation Commission will come in and utilize the extensive study the department has made of the subject.

Mr. Hoey paid his respects to State insurance by saying that he does not believe in it and does not believe it will ever succeed in this State or any other. He mentioned the difficulty the commission experienced to find a competent manager for the State Fund at the price it is able to pay. He said that the combination of politics, inefficiency and expense would operate to defeat the successful operation of any State insurance plan. Mr. Hoey concluded by complimenting the association on having as members such a fine body of young men, who were so much interested in their work that they were willing to devote extra time to its study. He said insurance is the best profession a young man can engage in at the present time, and expressed the hope that at some future time he might be permitted to address the association in a more formal way.

At the conclusion of the address a hearty rising vote of thanks was given Mr. Hoey for his address.

At the business meeting the following officers were elected for the ensuing year: President, George H. Holden; vice president, W. A. Page; secretary, George F. Sitler; treasurer, R. P. Brand. The retirement of Mr. Sutton as secretary, after several years of service, was noted and a special vote of thanks was given him for his work, to which he responded gracefully. The new members of the executive committee are E. W. Dart, W. H. Sutton, Jr., and Jos. S. Darkee. A membership committee, consisting of Messrs. Boylan, Hardy, Gladding and Bach, was named.

Mutual Workmen's Compensation Insurance.

In a circular letter to their clients and representatives, Weed & Kennedy say of mutual insurance under the New York workmen's compensation law:

Years ago there were numerous mutual marine insurance companies belonging to New York State and a greater number of mutual fire companies. Only one marine company survives, and four fire companies, the aggregate assets of all four being less than three-quarters of a million dollars. The general experience all over the United States has been similar. In these familiar branches of insurance mutual companies have been unable to compete with stock companies, even in ordinary times. After extraordinary fires the result to mutual policyholders has been especially disastrous. The fire in Paterson, New Jersey, a few years ago, wrecked the "oldest and most successful" mutual fire insurance company of that State, which left more than $1,000,000 losses unpaid. The Lycoming Mutual, of Muncy, Pennsylvania, was called one of the most "successful" mutual companies in the country for many years. One fire in Milton, Pennsylvania, wiped the company out of existence. Its policyholders whose property was not destroyed were compelled to pay assessments aggregating hundreds of thousands of dollars.

"But stock companies also have been wrecked by great fires." Replying to that: First, a policyholder in a stock company whose property has been burned soon knows exactly what per cent. of his insurance he has lost by the failure; second, only such policyholders suffer (except to the extent of premiums for new insurance), whereas, in a mutual company *every policyholder is assessed* to pay losses, with no certainty that these assessments will yield sufficient to pay all liabilities; third, the liabilities of a workmen's compensation company after a great disaster cannot be definitely known for years, for, under the New York law, compensation to injured work-people or their heirs must be regularly paid for long periods after the injuries have been sustained. In the days when it was necessary to take all sorts of insurance to cover values in the New York City dry goods district merchants sometimes accepted mutual policies. Years after such policies had expired hundreds of merchants were assessed to pay losses in companies that had become bankrupt; everybody had to pay, including some who contested assessments in the courts. Fourth, no fire insurance stock company of the strength of the great companies now prepared to issue workmen's compensation policies has ever failed to pay its losses in full.

What reason is there to believe that in workmen's compensation insurance the mutual system, which has failed in all branches of business insurance (the comparatively small amount carried by the New England mutual fire companies does not affect this statement), will all at once become successful in a new field?

What every employer needs is unquestionable indemnity for compensation he must pay to employes injured in his service. Nobody doubts he can get such indemnity from the best stock companies. *Isn't that worth something?*

Can you be sure of such indemnity from these new mutual companies? Positively, NO. The best that can be honestly said for them is that they will be experiments. The best that can be promised in case the experiment works successfully is a saving of a predicted difference—which is assumed without the slightest knowledge—between the premiums of the stock companies and the premiums of the mutuals. A great disaster—from fire, explosion, panic, or other cause—would almost certainly wreck any mutual company covering the risk. The only alternative would be very heavy assessments—heavier, probably, than the directors would be authorized to make.

Remember that the cost of acquiring business by the stock companies has recently been rigidly limited by law. Wherein, then, do the promoters of mutual companies find any basis to promise smaller cost for their policies than the stock companies will charge for theirs? Solely in the cry of "big dividends" for the stock companies. Now, the proportion of premiums appropriated to paying dividends is very small. Indeed, in some of the older and stronger companies of various classes dividends are almost entirely paid from earnings on accumulated and invested funds. Remember, also, that rates of stock companies cannot be announced until they are approved by the superintendent of insurance.

But, suppose the mutual initial rates are lower: does a wise employer buy the cheapest machinery, or the most efficient? In his personal expenses, does he buy the cheapest clothing, or that which will wear best? Is it true economy to buy the lowest-priced article? You buy a mutual policy and pay a premium. You are thereupon liable to be assessed for further payments. If the original premiums are not high enough, the company will soon be required by the superintendent of insurance to make assessments upon its policyholders.

Either the initial payment must be high or additional payments to meet assessment are inevitable. Why such a positive assertion? First, it costs money to establish any business. The agency organizations of the best stock companies throughout the country, and the supervisory service, have cost millions of dollars, have taken years of time, and have enlisted and developed superior talent and technical skill. Those millions have not got to be paid again. The new companies have all these elements of cost before them—or the alternative of lacking some almost indispensable advantages. Second, the only companies of any sort that have had experience enough to enable them to discriminate between desirable risks and undesirable are the stock companies that have been for years insuring against employers' liabilities. The management of these companies is, therefore, well aware of which are the dangerous and costly classes of risks, through injuries to workmen, and which are not. Third, actuaries have been for months applying the loss experience of the stock companies so as to show what those losses would have cost if they had been compelled to pay workmen's compensation upon the scale established by the New York law. This work will furnish the only scientific statistics for this sort of business. Fourth, workmen's compensation insurance is still in its experimental stage in every state and nation where it is being tried. The statistics of two years, or even five years, in one State are worthless by themselves for indicating what rates must be charged to meet the requirements of the New York State law. Fifth, a mutual company starts without a dollar of capital or assets—unless its initial payments of premiums are so high as to destroy the pretense of economy; if it borrows money that must be repaid. Sixth, a large portion of every premium must be reserved and carried as an unearned premium liability, to meet the requirements of law. Seventh, the law requires that reserves for the payment of damages incurred must be built up out of premium receipts. Where the payments on account of these losses are to continue for years, these reserves must be very heavy indeed.

Bear in mind that in the event of the failure of the company in which you are insured, stock or mutual, the liability for payments for accidents that had previously occurred immediately devolves again upon the employer. Thus a policyholder in a mutual company is, toward his own employees, a guarantor of the contin-

(*Continued on page* 414)

Digitized by Google

INDUSTRIAL LIFE INSURANCE STATISTICS.

Compilation from Special Reports Showing the Growth of Various Phases of the Industrial Life Insurance Business.

We present herewith the third annual compilation of statistics relating to life insurance companies writing both ordinary and industrial life insurance. The figures used in the compilation have been taken from special reports furnished by nearly all the companies. Since the last publication the Cherokee Life of Georgia has disposed of its industrial business and the National Progressive Life of Cincinnati has been absorbed by the Western and Southern Life. A number of new companies have entered the industrial life business in the past two years, and the complete list is now as follows:

American Assurance, American Life of Chicago, American National Life, Arkansas Life, Baltimore, Life, Beneficial Life of Salt Lake City, Boston Mutual Life, Carolina Life, Colonial Life, Commonwealth Life, Equitable Life of Washington, D. C., Eureka Life of Baltimore, First Texas State Life of Galveston, Home Life of Delaware, Immediate Benefit Life, Independent Life of Tennessee, John Hancock Mutual Life, Life and Casualty of Nashville, Tenn., Life Insurance Company of Virginia, Metropolitan Life, Mutual Life of Baltimore, National Life and Accident of Nashville, Tenn., Pioneer Life of Kansas City, Mo., Postal Life of New York, Prudential of Newark, Prudential Life of San Antonio, Tex., Public Savings Life, West Coast Life, Western and Southern Life, and Wisconsin National Life.

The figures as last published are reproduced here for convenience in making comparisons. The two tables are as follows:

SUMMARY ACCOUNT OF THE STATISTICS OF AMERICAN INDUSTRIAL LIFE INSURANCE COMPANIES FOR THE YEAR ENDING DECEMBER 31, 1912.

	No. of Companies Reporting.	No. of Policies.	Amount.
Industrial insurance in force	26	26,368,644	$3,640,259,245
Ordinary insurance in force	24	2,054,087	1,294,056,069
Industrial insurance written (1912)	24	5,265,217	802,284,725
Ordinary insurance written (1912)	24	398,850	428,008,746

	No. Companies.	Industrial.	No. Companies.	Ordinary.	No. Companies.	Total.
Premium income	25	$124,953,757	23	$78,331,860	26	$113,285,617
Total income	21	149,909,961	22	86,837,684	26	236,237,645
Claim payments, including mortuary dividends	25	41,152,639	22	18,831,832	26	60,014,571
Industrial dividends:						
Mortuary	6	1,896,394	..	.....	4	1,896,394
Other than mortuary	7	7,771,778	5	1,435,569	9	9,207,347
Total	9	$9,668,172	5	$1,435,569	9	$11,103,741
Total payments to policyholders	25	53,135,236	21	31,466,212	26	84,601,448
Total disbursements, all purposes	22	100,617,136	22	48,486,518	26	149,103,654
Reserve on insurance in force	24	350,686,967	22	338,864,536	26	689,551,503

SUMMARY ACCOUNT OF THE STATISTICS OF AMERICAN INDUSTRIAL LIFE INSURANCE COMPANIES FOR THE YEAR ENDING DECEMBER 31, 1913.

	No. of Companies Reporting.	No. of Policies.	Amount.
Industrial insurance in force	25	29,009,945	$3,936,372,063
Ordinary insurance in force	20	2,264,523	2,464,004,663
Industrial insurance written (1913)	22	5,794,382	768,347,005
Ordinary insurance written (1913)	20	422,663	453,522,476

	No. Companies.	Industrial	No. Companies.	Ordinary.	No. Companies.	Total.
Premium income	23	$137,156,395	20	$79,150,827	25	$216,307,222
Total income (all sources)	19	132,610,848	15	132,095,532	25	264,707,380
Claim payments, including mortuary dividends	22	45,019,791	18	18,483,559	24	64,902,350
Industrial dividends:						
Mortuary	4	2,092,057	..	.....	4	2,092,057
Other than mortuary	6	8,659,723	5	3,136,730	10	11,795,453
Total	9	10,751,780	5	3,136,730	10	13,887,510
Total payments to policyholders	20	58,559,241	18	33,651,459	24	92,210,700
Total disbursements, all purposes	18	122,771,223	17	64,921,555	25	187,692,778
Reserve on insurance in force	22	397,193,113	18	385,656,949	25	782,850,063

SUMMARY STATEMENT OF THE STATISTICS OF AMERICAN INDUSTRIAL LIFE INSURANCE COMPANIES, 1900-1913.

	No. of Companies Reporting.	Industrial Premiums Received.	Industrial Claim Payments.	Total Disbursements to Industrial Policyholders.
1900	11	$50,773,969	$17,102,642	$19,066,460
1901	12	56,839,561	18,646,686	20,594,694
1902	12	63,388,693	19,573,868	21,622,643
1903	13	70,713,824	22,492,589	24,691,838
1904	14	77,118,498	25,294,948	28,126,189
1905	17	82,389,450	25,713,233	28,862,500
1906	19	87,860,168	27,590,413	31,927,105
1907	20	93,133,531	30,713,173	36,535,479
1908	21	95,417,244	30,390,755	36,795,537
1909	22	102,256,474	32,019,687	38,753,850
1910	23	109,510,535	37,143,007	45,128,890
1911	19	122,253,706	39,520,466	50,568,904
1912	24	124,953,727	41,181,639	53,135,236
1913	25	137,156,395	45,419,791	58,559,341
Totals		$1,273,765,775	$412,802,897	$494,368,566

Digitized by Google

(*Continued from page 412*)

ued solvency of the company. Read again the provisions of the law and see how heavy the payments are to be, and how, in numerous cases, they must be continued through many years. Ought any prudent employer to saddle himself and his business (carried on, perhaps, by his heirs, or by others, who will not assume his liabilities without being fully indemnified) with such a continuing risk? Would it not be better to pay, once for all, a reasonable premium to one of the strong, superior stock companies, and thus be assured against any future payments or liabilities?

Every one knows there have been great fires, and everybody believes there will be more; that there have been great disasters among working people, and that there will be others. What has happened will happen again. The Brockton shoe factory disaster, a few years ago, would have cost a workmen's compensation insurance company, under this New York law, more than half a million dollars. The Triangle cloak factory disaster in New York City would have cost over $300,000. The recent Binghamton disaster would have called for payments exceeding $150,000. Within the last four months there have been three accidents in New York State every one of which would have cost an insurance company from $50,000 to $150,000. What would have happened if one of these new mutuals had been carrying any one of these risks? Bankruptcy, or heavy assessments on policyholders—and if the company's rules limited assessments, bankruptcy for certain. Does any one doubt that a strong stock company would have paid its losses promptly? Certainly it would have had no power to make a further assessment on its policyholders.

The promoters of some of these mutual companies are holding out promises of lower loss ratios than the stock companies will have, because, they say, they will inspect the risks they take and tell employers how to render their risks free from avoidable hazards. Why, the best stock companies have been making such inspections for the last three months, at their own cost, and are prepared now to inspect all risks included in the law. They are not depending, either, on the services of men whose knowledge of risks is derived solely from fire insurance observation; the men who are making these inspections are the men who have been thoroughly trained in accident and liability insurance. The employer, therefore, who wishes to reduce the cost of his insurance by establishing a favorable experience can do this most effectively through co-operation with the great stock companies, which, alone, are equipped for the service.

May we be pardoned a brief personal statement?

When the great merchants, manufacturers, and warehousemen of New York were unable to obtain sufficient fire insurance in New York, it was our firm that, in 1880, drew a bill making it lawful to procure insurance in companies not licensed to transact business in this State; that had that bill introduced in the legislature, and that, after a strenuous contest, secured the enactment of the bill and its approval by Governor Cornell. When further measures of relief from the restrictive laws of the State were necessary, it was our firm that first organized inter-insurance among merchants and manufacturers. If we had confidence that a new mutual company could successfully compete with the strong, experienced stock companies, it would be easy—and, for a time, profitable—for us to organize and manage a mutual workmen's compensation insurance company among our clients and such friends as have suggested the enterprise to us. For we represent no stock company. We are exclusively agents for merchants, manufacturers and other property owners. If our practical experience in the States where workmen's compensation insurance has been trying out for a few years and careful observation of results are misleading, and these new associations turn out better than we expect, it will never be too late for us to organize such a company. If, meantime, acting upon our advice, our friends buy good stock company insurance until the experiments have been tried in New York, such employers as it is well recognized comprise our clientele could at any time take advantage of experience and form an organization, or be most welcome accessions to any company that might have proved its right to their support and co-operation.

Insurance Legislation.

Massachusetts.

BOSTON, May 8.—A bill to provide additional methods of compensation for injuries received in the course of employment and to authorize the Massachusetts Industrial Accident Board to approve any arrangements between employers and employees was reported in the House on Thursday by the judiciary committee. It is a very long bill.

House Bill 1943, relative to payments by companies to persons insured against accident or sickness has been rejected in the Senate.

A Senate bill offered to provide a referendum vote on the question of extending compensation privileges to towns and districts has been referred to the rules committee to decide if it shall be admitted.

Rhode Island.

PROVIDENCE, May 6.—The General Assembly adjourned *sine die* at 2.05 A.M. this morning. The governor has ten days from the end of the session in which to veto bills passed. The following disposition has been made of the insurance bills presented during the session:

HOUSE BILLS.

None.

SENATE BILLS.

Senate Bill 80 (Munroe), compelling medical examinations for life insurance. Died in judiciary committee.

Senate Bill 96 (Hambly), imposing upon insurance companies or agents from other States the same restrictions as those States place upon Rhode Island companies. Passed both houses. Signed by the governor.

Senate Bill 251 (Champlin), providing for the control of rates of fire insurance companies by State commissioner. Died in judiciary committee.

Washington.

OLYMPIA, May 7.—It has not yet been decided whether a special session of the legislature shall be called. It is hoped to avoid it, since there is no limit on the variety of subjects that may be taken up in special sessions, nor upon their continuance.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1914

Total Assets,	$9,154,808.16
Capital Stock,	750,000.00
Net Surplus,	2,558,864.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
59 John Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

NORD-DEUTSCHE
INSURANCE COMPANY
OF HAMBURG, GERMANY.
ESTABLISHED 1857

Assets January 1, 1914		$1,439,399.53
Liabilities	" "	579,631.12
Surplus	" "	859,768.41

U. S. BRANCH, 123 WILLIAM ST., NEW YORK
J. H. LENEHAN, UNITED STATES MANAGER

Digitized by Google

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President
The Manhattan Life Insurance Co.
66 Broadway, New York

NEW ENGLAND CASUALTY COMPANY

4 Liberty Square :: Boston, Mass.

Capital Paid in $1,000,000

Incorporated Under Massachusetts Laws

CORWIN McDOWELL, President
A. C. JOHNSON, First Vice President
ALLEN FORBES, Secretary
GUY A. HAM, General Counsel

Fidelity and Surety Bonds
Liability, Automobile
Property Damage
Burglary, Theft
Plate Glass, Accident and Health Insurance

Good Territory Open to Responsible Men

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

10 SOUTH LA SALLE AT MADISON STREET

IT PAYS TO INVESTIGATE
OUR CONTRACTS ARE ALL DIRECT

We are looking for a man who can handle men.

Pittsburgh Life and Trust Co.
HOME OFFICE, PITTSBURGH, PA.

W. C. BALDWIN, President
HOWARD S. SUTPHEN, Director of Agencies

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Postpaid **$4.00**

By EVERETT U. CROSBY and HENRY A. FISKE

A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10

By A. M. SCHOEN

Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10

By W. D. MATTHEWS

What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00

By WILLIAM ARTHUR

This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company
Incorporated
P. O. Box 617 LOUISVILLE, KY.

Digitized by Google

The Employers' Liability Assurance Corporation

(LIMITED)

OF LONDON, ENGLAND

$5,935,585.61

deposited in the United States for the benefit of United States Policyholders

SAMUEL APPLETON, United States Manager
Employers' Liability Building, 33 Broad Street, Boston, Mass.
DWIGHT & HILLES
Resident Managers for New York State,
56 Maiden Lane, New York.

London & Lancashire Fire Insurance Co., Ltd.

OF LIVERPOOL, ENGLAND

EASTERN DEPARTMENT
Hartford
CONN.

A. G. McIlwaine, Jr.
Manager

PERMANENT AND PROGRESSIVE
ORGANIZED 1886
NORTH AMERICAN ACCIDENT INSURANCE CO.
THE ROOKERY
CHICAGO
AGENCY OPENINGS IN
44 STATES

204TH YEAR

SUN INSURANCE OFFICE

OF LONDON

FOUNDED 1710

United States Branch: 54 PINE STREET, NEW YORK

Western Department:
39 South La Salle Street
CHICAGO

Pacific Department:
N. W. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

MEN WHO CAN DO THE WORK

are offered remunerative positions as field representatives in desirable territory. Good places are always open to the right men—those who can produce applications and collect premiums.

UNION MUTUAL LIFE INSURANCE COMPANY
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address ALBERT E. AWDE, Supt., 396 Congress Street, Portland, Maine.

GREAT NORTHERN LIFE
INSURANCE COMPANY
WAUSAU, WISCONSIN.

An Honest Contract, sold by Honest Men, by Honest Methods.

Permanent connection for desirable agents to sell life insurance

NEAL BROWN, President
WILLIAM A. FRICKE, Vice-President and General Manager

BANKERS LIFE COMPANY

DES MOINES, IOWA ORGANIZED 1879

Insurance Issued and Restored

1913 (Paid for) $60,907,000.00
Increase in Admitted Assets for Year $2,630,411.43
ERNEST E. CLARK, President

London Assurance Corporation

CHARTERED A. D. 1720
STATEMENT JANUARY 1st, 1912

Assets in U. S.,	$3,747,331
Liabilities in U. S., including Re-insurance Reserve,	2,520,923
Net Surplus,	1,226,408

Losses Paid in the United States over $29,000,000
CHAS. LYMAN CASE, Manager.
84 William Street New York

"STRONG AS THE STRONGEST"

THE NORTHERN ASSURANCE CO.

(Ltd. of London)

ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid	$35,000,000
Losses Paid in the United States	$28,000,000

EASTERN AND SOUTHERN DEPARTMENTS,
Company's Building, 55 John Street,
New York

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.

OFFICE:
25 LIBERTY STREET.

The Connecticut Mutual Life Insurance Company

President JOHN M. TAYLOR, Hartford, Ct.
Insurance in force, 91663 Policies for $218,304,660

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policy-holders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums
It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1913	$287,442,080.61
Total returned to Policy-holders, as above noted, in same period	296,862,956.74
Excess of amount returned	9,420,876.13

Digitized by Google

The Liverpool & London & Globe Ins. Co.
LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:
Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

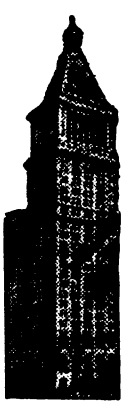
CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
R. H. COLCOCK, Jr., Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

R. P. FABJ, Manager.
THOS. H. ANDERSON, Assistant Manager.

"IT PAYS TO WORK FOR
THE UNION CENTRAL"
LIFE INSURANCE CO.
OF CINCINNATI, O.



Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

OFFICES FOR RENT in the NEW UNION CENTRAL BUILDING

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS F. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature
W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

GERMANIA
FIRE INSURANCE COMPANY
Organized 1859 NEW YORK
STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

Fidelity-Phenix Fire Insurance Company
OF NEW YORK

The assured places the responsibility on the agent;
a Fidelity-Phenix policy relieves him of it.

HENRY EVANS, President

Home Office
80 Maiden Lane, New York

Western Office
137 South La Salle Street, Chicago

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

THE
WILLIAM H. KENZEL
COMPANY
23 Liberty Street, New York
REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

REPUBLIC UNDERWRITERS
Of Dallas, Texas

THE COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

Phoenix Assurance Company, Ltd.
OF LONDON
(Established 1782)

FIRE

Use and Occupancy Sprinkler Leakage Tornado

HEAD OFFICE FOR UNITED STATES
100 William St., New York

Western Department
175 W. Jackson Boulevard
CHICAGO, ILL.

Pacific Coast Department
343 Sansome St.
SAN FRANCISCO, CAL.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$5,000,000.00
Cash Assets	22,481,250.34
Total Liabilities	10,571,860.45
Net Surplus	6,909,389.89
Surplus for Policyholders	11,909,389.89
Losses Paid in 95 Years	138,501,348.36

WM. B. CLARK, President.
Vice Presidents:
HENRY E. REES, A. N. WILLIAMS,
E. J. SLOAN, Secretary.

E. S. ALLEN, GUY E. BEARDSLEY, RALPH B. IVES, W. F. WHITTELSEY, JR., Marine Secretary. } Assistant Secretaries

WESTERN BRANCH, 175 W. Jackson Boulevard, Chicago, Ill.
THOS. E. GALLAGHER, Gen'l Agt.
L. O. KOHTZ, Asst. Gen'l Agt. and Marine Gen'l Agt.

PACIFIC BRANCH, 301 California St., San Francisco, Cal.
WM. H. BREEDING, Gen'l Agent.
E. S. LIVINGSTON, Asst. Gen'l Agent.

MARINE DEPARTMENT:
CHICAGO, 175 W. Jackson Boulevard. NEW YORK, 63-65 Beaver St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.
SAN FRANCISCO: 301 California Street

COMMERCIAL UNION ASSURANCE CO.

LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.

55 JOHN STREET, NEW YORK.

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, MAY 16, 1914. No. 20.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Cheeks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
WILFRED W. MACK, 2d Vice President and Associate Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

A most favorable indication that the Brothers of the Schedule may some day dwell together in unity is found in the meeting held in Chicago last week by the managers of about twenty rating organizations, when it was decided to appoint a committee of five to formulate plans for a national organization. The chairman of the committee is Assistant Manager E. R. Hardy of the New York Fire Insurance Exchange, who has had such an organization in mind for several years and who has, in company with other leaders in his line, quietly and steadily spread the thought until it has taken root. Uniformity and standardization will be the objects of the body. But that does not by any means entail the sacrifice of the rating ideals or practices of any one section. The methods of years in the East and the West, the South, the Pacific Coast, and elsewhere, cannot in a moment be unified or standardized, nor does this movement, as explained by its promoters, look to the abandonment of any system in favor of another. But it does mean that they can be brought closer together and, in time, be placed upon a practically common basis by the adoption of standard definitions for classes of buildings, or their occupancies, or the establishment of uniform requirements for recognized credits, and in many other ways it can mitigate the discrepancies which exist between the several systems. These differences are hard to explain to insurers when two systems come into juxtaposition, as in adjoining States under different rating jurisdictions. It is these variations of requirements, these variations of judgment, which are extremely difficult to explain to legislators when they get the State-rating bee in their heads and begin to howl about discrimination. Often the differences arise from varying local conditions, but the technical variances as laid down by the rating bureaus are the points seized on and made much of by the inquiring legislator, while his eyes remain closed to the fact that they are small factors compared to the local conditions affecting them. With standards identical, the sole blame would rest where it belongs. It is an indication right in line with the times to see the rating men get together. While methods vary, the results will approximate more closely and uniformly than ever before if a common ground for judging hazards and establishing standards can be fixed. The millennium of a common system for the entire country is still apparently as far off as the day of the Great Judgment itself; but, nevertheless, the new organization has a big and useful sphere if it goes no further than its promoters have modestly stated. Its advent is timely and auspicious and should receive the heartiest approval and support of all fire underwriting interests.

THE study of war hazards is specially interesting to life insurance men at the present moment, and it is with pleasure that we are able, through the courtesy of Superintendent Glover S. Hastings of the New England Mutual Life, to present to our readers a brief review of some general facts. Mr. Hastings, who has gone carefully over the records, says that in the twenty years of Napoleonic wars in which England was engaged a century ago the total average annual mortality was nearly sixty per thousand, of which six and six-tenths per thousand arose from casualties in action and the rest from sickness, etc. In the Crimean War the British mortality was one hundred and twenty-six per thousand; the French, one hundred and fifty-five per thousand; while the mortality among the Russian troops was simply appalling, being estimated at 630,000 men, of whom only 80,000 were killed in battle. The yearly death rate of the South African War, both from battle and disease, was: officers, fifty-three per thousand; men, thirty-eight per thousand. The Civil War between the States, 1861-1865, produced an annual death rate from all causes of fifty-four per thousand. The experience of the Army Mutual Aid Association, and the active list of the regular army, agree that since 1850 the average annual death rate exceeds the American table of mortality by about 10 per cent. Based on campaigns extending over one hundred years, the average death rate of an army in the field is about fifty per thousand per annum. These statistics do not cover lives not lost on the battlefield or in the hospital, but impaired by the exigencies of service and the unhealthy conditions of camp life. Even with improved sanitary conditions, the experience of the active list of the regular army shows a mortality, based on the American experience table, as follows: 1898, the year of the Spanish-American War, 92 per cent.; 1899, 389 per cent.; 1900, 210 per cent.; 1901, 133 per cent.; 1902, 115 per cent., and in 1903 dropping to 85 per cent., showing conclusively the influence of active service. When we consider that the average annual mortality among insured lives for all the American companies is only about fourteen per thousand, it will readily be seen that those companies which have

Digitized by Google

a one-year clause covering military or naval service in time of war are in a position to preserve mutuality among their members by heading off adventurers and those who have in mind the enlisting for service with foreign nations. Such companies during the Spanish-American War, and now when trouble is threatened with Mexico, have quite generally notified their old policyholders that the war clause was waived because past experience proved that but few of their members would be involved. So far as new policyholders are concerned, those contemplating military or naval service, the one-year clause is a valuable aid in enabling a company to charge an extra premium for the extra hazard.

Fire Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

May 18—Committee on blanks, National Convention of Insurance Commissioners at Hotel Manhattan, New York City.

May 19-20—National Association of Manufacturers at Waldorf-Astoria, New York City.

May 19-20—Phœnix field men at Hartford.

May 22—Mississippi Association of Local Fire Insurance Agents at Jackson.

May 26-27—Arkansas Association of Local Fire Insurance Agents at Little Rock.

May 28—National Board of Fire Underwriters at Waldorf-Astoria, New York City.

May 28-29—New York State Association of Local Fire Insurance Agents at Rochester, N. Y.

June 9-10—Insurance Institute of America at Philadelphia.

June 3—South-Eastern Underwriters Association at White Sulphur Springs, West Virginia.

June 10—Pennsylvania Association of Local Fire Insurance Agents at Pittsburgh.

June 10—Executive committee, committee on blanks, committee on fire insurance rates and regulation, and committee on standard fire policies of the National Convention of Insurance Commissioners at Hotel Astor, New York City.

June 11—Iowa Association of Local Fire Insurance Agents at Des Moines.

June 12-13—Georgia Association of Local Fire Insurance Agents at Macon.

June 24-25—Ohio Farmers Western Department Agency convention at Delevan Lake, Wis.

August 5-6—Michigan Association of Local Fire Insurance Agents at Grand Rapids.

August 18-21—National Association of Insurance Agents at Minneapolis, Minn.

September 11-12—Fire Marshal's Association of North America at Asheville, N. C.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16—Western Union at Hotel Traymore, Atlantic City, N. J.

September 22-24—National Association of Mutual Insurance Companies and Associations, at Virginia Hotel, Columbus, O.

October 7-8—Fire Underwriters' Association of the Northwest at Chicago.

October 20-23—International Association of Fire Engineers at Hotel Grunewald, New Orleans, La.

An organization known as the **National Automatic Sprinkler Association** was formed during the meeting of the National Fire Prevention Association at Chicago last week. This association is composed of several of the companies manufacturing automatic sprinklers, and its purpose is co-operation in the best methods, especially the collection of statistics, systematic studies of particulars, constructed publicity and the encouragement of the interest of the general public in sprinkler installations as essential to conservation of life and property. The development of statistical service will make it possible to compare the rate of operation in different kinds and conditions of property and the effect of sprinkler installations upon water supply and fire departments. The association has elected as its secretary Ira G. Hoagland of New York, a fire protection engineer of thorough experience and excellent qualifications. He resigns June 1 as editor of *Safety Engineering*. Mr. Hoagland is a technical graduate, has served insurance companies in the field, as an inspector in the North and in the South as well, where he was connected for a number of years with the inspection and special risk department of the South-Eastern Underwriters' Association at Atlanta. Since taking charge of the editorial work along engineering lines of *Safety Engineering*, Mr. Hoagland has developed a keen insight into the practical viewpoint of this business, with special reference to the keynote of public interest. His work on *Safety Engineering* has been not only brilliant, but thoroughly in accordance with the highest technical requirements. Mr. Hoagland's knowledge and experience in the practical field as well as the theoretical and his familiarity with the best methods of publicity qualify him with particular fitness for the position which he will shortly assume.

The **insurance famine in Kentucky** is beginning to pinch the distilling and tobacco interests, and in addition the business men and commercial organizations have been asked by the Kentucky Manufacturers' and Merchants' Association to compile reports to be sent to a meeting in Louisville May 19, which will show the abandonment of building and other industries on account of the fire insurance famine and the removal of stocks to other States. The officials of the State have taken no steps to mitigate the situation. A test suit is talked of, but in view of the Kansas Supreme Court decision, no help is expected from that source. A petition has been sent to the governor on behalf of the citizens of Fulton and also of Hodgenville. At the latter place a $150,000 fire occurred recently covered by only $50,000 insurance. Kentucky local agents held the annual meeting of their association at the Hotel Seelbach on Friday. Chief consideration was given to methods of bringing home to the insurers of the State the critical condition of the industry at present. Within the next sixty days six million dollars worth of insurance on whiskey alone will expire in the State. Credit is due Kentucky agents for their refusal to take advantage of the so-called brokers' law, which would enable them to place risks outside of the State, if the companies could be found to take them, by payment of a broker's license fee of $25 and a bond to insure the 4 per cent. tax on business written in this way. Louisville banks are asking statements from borrowers concerning the status of their insurance. The appearance of George H. Holt of Chicago, the Great Disturber, with his aides, at Louisville, on request of the Board of Trade, adds another difficulty to the situation.

April fire losses in the United States and Canada, as compiled by the *Journal of Commerce,* show a total of $17,700,800, or about a million dollars increase over last year. There is a gratifying decrease, however, from the March losses. The first four months of the present year give a total loss of $88,162,450, as compared to $76,526,100 in 1913. A comparison by months for the present year and two years preceding is as follows:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
Total, 4 months	$97,255,050	$76,526,100	$88,162,450

In April there were 25 fires causing losses of over $10,000 each, eighteen fires of over $100,000 each, while nineteen went above the $200,000 mark. The most important fires of the month were:

St. Augustine, Fla., hotels and other	$650,000
Decatur, Ill., department store	750,000
St. Andrew, N. B., hotel and stores	500,000

Digitized by Google

Aberdeen, Ont., paper mill	500,000
Pasadena, Cal., hotel and other	500,000
Peoria, Ill., stock yard barns and hay	400,000
Washington, D. C., high school laboratory	500,000
Curtis Bay, Md., fertilizer plant	650,000

Commenting on the situation, the *Journal of Commerce* says: "The fire insurance outlook is anything but satisfactory, and fire insurance stocks generally reflect the opinion of underwriters that the future is unfavorable."

Recent **changes in the Connecticut Fire** have brought the election of George M. Lovejoy as vice president, following the resignation of W. A. Chapman to become assistant manager of the Fireman's Fund at Chicago, and also the appointment of F. W. Bowers and F. E. Spoerer as general agents of the Western department. Mr. Lovejoy was formerly Western manager with the late Mr. Spear of the Phoenix and is now also vice president of the latter company at the home office. The directorate has consistently placed the management of the Connecticut in the hands of men who have directed its affairs in the past and those of the Phoenix so successfully in the Western field. Mr. Lovejoy is one of the veterans of the Phoenix service, though still in the prime of his abilities, and Mr. Bowers was for many years one of strongest field men, representing the Phoenix as State agent in Missouri and building up there a splendid agency plant, especially in the farm department. Mr. Spoerer, the new associate manager of the Connecticut, has been with that company for a long time and was for a number of years in charge of the loss department at the Western office in Chicago under Manager J. J. McDonald before moving to Hartford recently. As a loss man it has been said that he has few if any equals in the business. Modest and retiring, with a wonderful care and patience in detail, the recognition of his long service with the Connecticut is most thoroughly deserved. The Connecticut will shortly call to Hartford one of its Western field men to be superintendent of agencies.

An interesting **study of lightning losses** is made in the annual report of the Wisconsin department for the past year. Commissioner Ekern makes a statement that more than one-half of the losses of town mutual fire companies resulted from lightning, and that the ratio runs occasionally as high as 70 or 80 per cent. He gives interesting results of an investigation in other States to the effect that where lightning rods are used, these losses are practically eliminated. For instance, in Iowa the losses on unrodded buildings were $775, while rodded buildings only reported losses of $10. In Michigan unrodded buildings caused $1,168 losses as against $10 on rodded. In the same connection, a publication just issued by the Illinois insurance department called "Suggestions for Protection against Lightning" shows that twenty-one buildings out of twenty-three lightning fires reported were not provided with lightning rods. In the other two cases it was not specified whether they were protected. The last week in March, when these losses occurred, was particularly severe in Illinois, with reference to lightning losses, fires from this cause in five days causing a loss of $80,230.

Texas agents are **dissatisfied** with commissions, according to the results of the State convention of local agents held at Fort Worth last week. The association will amend its by-laws to create a legislative committee, which will push legislation to be framed by the executive committee for increased compensation. The meeting was strongly in favor of such action unless the South-Eastern Underwriters Association takes action along this line at its coming annual meeting. The Texas agents claim discrimination. They also were strongly favorable to an agency qualification law. At the same time, it would be well for Texas agents to consider that they get all of the 15 per cent. commission now paid to them and do not compete with a swarm of brokers or have to split their earnings with side-liners, as is so often the case in territory where higher commissions are paid. The cost of business in Texas has always been abnormally high on account of the loss ratio, and increase in commissions would be a great burden, according to company managers.

Strong endorsement of merit rating for fire insurance risks was given by the **Insurance Federation of Ohio** at a recent gathering in Columbus last week attended by five hundred members. The Insurance Federation is an organization of all classes of insurance men for the improvement of general conditions of the business, and the upbuilding of proper practices. Big delegations were present from Cleveland, Cincinnati, Columbus, Toledo, and a State committee of twenty-one members, one for each congressional district, was appointed. Sub-committees will be appointed in every county, so that immediate action can be had with practically every insurance man and policyholder in the State on important questions. The Federation took up other matters as well, and protested against excessive fees and taxes, against taxation of life insurance reserves in any form, against State monopoly and liability insurance, and urged the defeat of the Federal guaranty fund for bonding government employees. The State committee is a specially strong one.

Underwriting results of the great **English companies** as shown by their home office annual reports are always worth reading. The Phoenix of London, according to the official records, made a fire profit last year of 127,638 pounds sterling, a little smaller than last year, the chairman comments, but on the whole satisfactory. Allusion is made to the foreign taxes rising year by year, especially in America, and the increasing keenness for better classes of business, making it not only more costly, but more difficult. The company's loss rate was 51.6 per cent. of premiums, about the same as 1912. The income shows no advance over the year previous, though a larger business than ever was transacted, but the overhauling and revision of the American business has been continued, resulting in a reduction of income there which counterbalanced advances in other fields.

The Illinois insurance department is expected to issue shortly a **ruling on** the subject of **underwriters' annexes** following that of the Michigan department, which requires business to be done only under the corporate name of the parent company. Superintendent Potts of Illinois will hold a hearing before making a ruling. The commissioned agents of Chicago, who have been seeking a reduction in the representation of companies there, to balance the cut in commissions, are said to be behind in the effort to reduce annexes in that State. They have had several interviews with the commissioner. The ruling of the Michigan department has not materially affected the status of underwriters' agencies in that State, except to cause companies considerable expense in reprinting their policies.

Complete returns of the **1913 business in Texas** has been made by Secretary A. H. Haynes, of the Texas Fire Insurance Commission. His figures show the loss ratio in Texas last year was 49.8 per cent. This year, however, the fire loss in Texas has been very heavy so far. The 1913 ratio was the lowest since 1905, when it was 45 per cent., and 1904, when it was 43.2 per cent. The fire marshal's office has been doing good work in the reduction of fire loss in Texas. But Marshal Homer Fisher of Dallas in a recent letter states that he spent last year $1,105 out of his salary of $1,440 to make the office a success, leaving him an actual balance of $335. Mr. Fisher wants an increase for his office of $1,800 a year. He says a small expenditure for getting evidence would considerably reduce losses.

Digitized by Google

The Missouri Supreme Court and **Attorney General Barker** are apparently **at wide variance** concerning the status of reciprocal underwriters and interinsurance exchanges under the Missouri law. In April the court decided they were against the law, but Mr. Barker has just rendered a decision to Superintendent Revelle that individual members of such exchanges or reciprocals or their attorneys are not dealing with the public and are not therefore amenable to the insurance laws of the State. It is evident that the insurance department will not take action under such a ruling, for prosecutions under the Supreme Court decision. The interinsurers and reciprocals are particularly strong in Missouri.

A dramatic incident of the **situation at Augusta,** Ga., over the annex question occurred on the day last week when the local board rescinded its resolutions prohibiting representation of underwriters' annexes in the State. Special agents of the Philadelphia Underwriters had opened an office and were beginning active warfare, and a number of other field men were in the city for the same purpose. The action of the board closed the incident, and the war cloud faded away. There is still considerable feeling among Augusta agents, according to reports, and it is said they intend to take the matter up with the State and National Associations of Local Agents.

The **Missouri fire commission** appointed by Governor Major to recommend insurance legislation to the next session, is meeting again this week in St. Louis. Several company managers from Chicago are attending the conference, as well as General Counsel O. B. Ryon, of the National Board. Reports from St. Louis indicate that there is considerable dissatisfaction among the agents over the recent commission changes made by the companies, and it is stated that some of the agents are threatening to instigate more inimical legislation as a result. This is hardly credible, however, after the bad conditions in the State last year, following similar action by local agents.

At the meeting of the **National Manufacturers' Association** at the Waldorf-Astoria next week an elaborate exhibit will be devoted to the various phases of fire prevention in place of the accident prevention exhibit which has been a feature for several years. The meeting will not neglect accident prevention and workmen's compensation topics, but will devote more attention to the subject of the fire waste and how to assist in reducing it than ever before. Fire Commissioner Robert Adamson, of New York, will give an address, and there will probably be a considerable attendance of men interested in the fire-prevention movement.

The **Cleveland National Fire,** of which Carroll L. De Witt is vice president and managing underwriter, has applied for its license in Missouri, Wisconsin and Indiana, and was licensed last week in Illinois. Mr. De Witt is now in the East investigating conditions in New York and Philadelphia, and the company will enter Pennsylvania, New York and New Jersey. Mr. De Witt is not only an able underwriter, but his many years' experience as general agent in the Western field have given him a keen insight into the value of agency connections, so that his selection will bring a high class of agents to the Cleveland National.

Reports from the Southern field indicate the probability of the election to **presidency of the South-Eastern Underwriters** Association of Manager Clarence F. Low, of the Southern department of the Liverpool and London and Globe at New Orleans. The annual meeting will be held at White Sulphur Springs, W. Va., on June 3. Mr. Low has never before been honored with the chief executive office, and the fact that the president of the association is not required to reside in Atlanta affords opportunity for outside underwriters to be so honored. This change has been made in recent years.

The **American Central** of St. Louis is shown to be in splendid financial condition by the joint **examination** of the insurance department of Connecticut, Illinois and Missouri, which has just been made public. The company has charged off a heavy loss due to Bank of Commerce stock held, but in spite of that fact has ample assets and surplus. The company's financial affairs have been most ably directed by President E. T. Campbell. The company's cash capital is now $1,000,000; net surplus, $933,696; damage assets, $5,366,214; premium reserves, $3,026,391; reserve for all other liabilities, $406,127.

The nominating committee of the **Fire Insurance Society of New York** has voted to recommend to the society the name of Charles J. Holman, assistant United States manager of the Commercial Union, to be voted on for president of the society, and that of E. R. Hardy to continue as secretary. Four vice presidents and three members of the executive committee are also to be nominated, but the names are withheld until their acceptances have been received. The voting will be by mail on ballots previously furnished to members, and the result will be canvassed on May 26.

The brief of the companies in the **Kansas rate regulation case,** seeking to set aside the 12 per cent. reduction made by Commissioner Barnes several years ago, has been filed with the Supreme Court. It charges that these rates are illegal and confiscatory. The brief states that the companies have lost more than $2,000,000 in Kansas since the reduction was made, and that it cost them $500,000 a year less to do business there. The companies ask that they be permitted to agree with the department on a reasonable rate.

Payment has been refused by the **Wholesale Grocers' Reciprocal Indemnity Exchange** on a $30,000 claim arising from a fire at Parkersburg, W. Va., on the stock of C. C. Martin. Suits have been brought by a St. Louis legal firm, but the chances of collection seem small, as the Exchange refuses to give the names of its subscribers, some five hundred in number, scattered all over the country. These would have to be sued individually for their liability, ranging from $70 to $80 apiece. All of which goes to show the trouble that comes from that kind of insurance.

The **seventh annual meeting of inspectors** for the mill and elevator mutuals will open at the La Salle, Chicago, May 19, and continue for three days. The four days will be devoted to discussions of the various forms of construction, fire hazards, machinery hazards and power transmissions, with talks on supplies and electrical apparatus. A discussion of insurance subjects will occupy the Friday session, at which there will be addresses on coinsurance, moral hazards and on general matters. An informal banquet has been arranged for Thursday evening.

The **Ohio Fire Prevention Association** elected the following officers at the annual meeting: President, George Diebold, National Union; vice president, A. M. Cole, Commercial Union; secretary-treasurer, Mrs. S. C. Neff, Columbus (re-elected); executive committee, W. T. Porter, Niagara; George T. Wilson, German of Pittsburgh; P. J. Moriarty, Commonwealth; E. M. Liljeblad, Delaware Underwriters; R. D. Wiley, Michigan Commercial; R. L. Mouk, Keystone Underwriters; J. T. Kirkwood, Philadelphia Underwriters.

Chester, Pa., has inadequate **fire protection,** according to the report just made by engineers of the National Board of Fire

Digitized by Google

Underwriters. Interior electric wiring is seriously defective, the streets are narrow, overhead obstructions are numerous and high winds are frequent. Private fire protection equipment is badly lacking. In some of the manufacturing sections serious group fires are probable. Buildings in the principal mercantile district are structurally deficient, and much improvement is possible.

Michigan is overrun with **firebugs**, in the opinion of Insurance Commissioner John T. Winship, as expressed in the recent annual report of the department. He is convinced that the "arson squads" which have been driven from Illinois, New York and Ohio by hard work on the part of the State officials have taken refuge in Michigan and begun operations there. Mr. Winship is ex-official fire marshal of Michigan, and has a great chance now to demonstrate his own efficiency in that line.

Des Moines, Iowa, must **spend a quarter of a million** dollars for better protection and improve the efficiency of its fire department before it will be in a position to ask for better fire insurance rates. This is the substance of a report rendered to the Chamber of Commerce of that city by Frank R. Daniels of Chicago, a hydraulic engineer specially employed for the purpose. The Chamber of Commerce has been working for a reduction in rates.

A **fine fighting spirit** against class legislation favoring interinsurers is being exhibited by Insurance Commissioner J. W. Ferguson, of Oregon, in the case of the Commercial Underwriters of Portland. The Supreme Court of the State upheld the interinsurance law and held that the concern named was entitled to a license. But Mr. Ferguson is going to ask for a rehearing and will attack the constitutionality of the law.

The quarterly meeting of the **Underwriters Association of New York State** on Thursday appointed a committee to investigate conditions at Niagara Falls and Utica. A committee will also investigate the Rochester Board of Fire Underwriters, where there has been complaint of discrimination. Farm schedules to be effective August 1 will be promulgated on July 15. Steps will be taken for a local board at Jamestown.

The **Boston Board** on Tuesday postponed the question of a credit rule similar to that in effect in New York until the next meeting. The constitution and by-laws were amended by a vote which was almost unanimous to permit any company to maintain an underwriters' agency in addition to the agency of the parent company. Such representation is to be in the agency of a member of the board.

The Redheaded League takes great pleasure in congratulating Fred J. Sauter, president of the Chicago Chapter, on the advent of another member, Frederic Donald, who arrived April 27. President Sauter, who is manager of the Boston, Old Colony and Michigan Commercial at Chicago, has another fine young son of twelve years, who is also a shining example of the organization.

Active measures to impress upon local agents the importance of assisting **investigations of suspicious fires** were taken last week in Illinois, where Fire Marshal Bennett caused the insurance department to summon two agents and have them notified that unless they furnish required information and promise future assistance in such cases their licenses would be revoked.

The **Fire Brokers' Association** at its meeting Tuesday adopted resolutions protesting against the plan of the Manufacturers' and Dealers' Motor Underwriters for handling automobile insurance. A committee was appointed to frame the protest and obtain the co-operation of local agents and brokers in opposing the plan, on the ground that it is inimical to their interests.

National Board **Engineers** are **inspecting Jackson, Miss.**, this being their first inspection in that State since that of Vicksburg in 1905. They will also survey Meridian. The Jackson Board of Trade has appointed a special committee on fire insurance rates, with the object of securing first-class rating, following the completion of the city's new water plant.

A **severe tornado** in southern Wisconsin Sunday night destroyed much property and killed four persons. The heaviest financial damage was to tobacco fields in Rock and Dane counties. Tobacco warehouses and sheds at Stoughton, Ore., and Verona were destroyed. Another violent storm did much damage at Davenport, Iowa, early Monday morning.

The **Michigan Fire Prevention** Association on Thursday at the annual meeting elected State Agent Fred W. Andrews ,of the Detroit Fire and Marine, as president; George W. Minsky, of the American, vice president, and M. M. Hawxhurst, of the Niagara, secretary and treasurer. Only four companies in the State do not participate in this work.

At Philadelphia the **Automobile Owners' Indemnity Exchange** is being organized by J. Alden Tifft, to write insurance against fire, theft, collision and property damage, but not liability. The Exchange will be operated by the Exchange Attorneys, Inc., which is to receive 25 per cent. of the annual premium deposits for expense.

The business of the **State insurance company of Omaha** was reinsured this week in the National of Hartford, which has long been operating the organization. President A. J. Love, of the State of Omaha, is also State agent of the National. The State will not surrender its charter, but will cease writing business.

The **Kentucky State University** insurance of $350,000 has been awarded to three companies still doing business in that State, the Standard of Hartford, the Great Southern of Louisville and the Henry Clay of Lexington. The lion's share went to the home companies, the insurance being written for one year only.

The **First National Fire** of Washington, D. C., will increase its capital by $500,000 to $1,500,000. It is the intention of the company to take over another company on a stock exchange basis. Negotiations along this line are in progress at present. The company has applied for admission to Massachusetts.

The **Rio Grande Fire** of San Antonio, Tex., is to be liquidated, following the recent reinsurance of its risks in the National Union of Pittsburgh. The company was organized in 1909 and operated in California, Colorado, Texas and Utah. J. A. Gallagher was president and E. W. Gaffney secretary.

The **Royal of Liverpool** home office declared a final **dividend** of 14 shillings per share, less income tax making with the interim dividend paid in November last, a dividend for the year of 28 shillings per share, less income tax. This is above that of 1912, which was 25 shillings per share less income tax.

Suits to recove $406,000 alleged to have been illegally collected as taxes under the Federal act of 1909 have been filed by several insurance companies at Providence against the former collector of internal revenue there, Robert O. Eaton, and James Walsh, the present collector.

Digitized by Google

Massachusetts brokers are planning to organize a State association. A Springfield organization was formed last week and steps were taken at that time for work throughout the State. Secretary E. M. Peters of the Boston association told of the methods in that city.

The **capture of a whippoorwill** in the offices of the National Fire is recorded by the Hartford papers. The bird flew through the open window on Thursday, last week, and was studied with interest by the amateur ornithologists there before it was released.

It is announced that Morris J. Hartson, formerly of the H. S. Kaufman Agency at New Orleans, has been **appointed general agent** of the Rhode Island Fire in the State of Louisiana. He also represents a number of other companies locally.

The **annual report of the Kentucky department** shows that companies in other States and countries collected premiums in 1913 amounting to $5,204,064, and paid losses of $3,016,655.

The **Sun Insurance Office** has withdrawn from Washington, D. C., on account of demoralized conditions in the business there.

The **Globe and Rutgers** has **entered Nebraska,** appointing Colson & Reynolds of Fremont as State agents.

Life Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

May 21—Actuarial Society of America at Hotel Astor, New York City.
May 22—The Conference of Southern Life Insurance Companies at Atlanta, Ga.
May 26-28—Penn Mutual Agency Association at Marlborough-Blenheim, Atlantic City, N. J.
June 2-3—American Institute of Actuaries at Hotel La Salle, Chicago.
June 4-5—State Mutual Life general agency convention at Detroit, Mich.
June 16-19—Modern Woodmen of America at Toledo, O.
June 24-29—Fidelity Mutual Life, agency convention at Atlantic City, N. J.
July 27-30—Life Underwriters Association of Canada at Halifax, Ont.
August 9-12—North American Life $100,000 Club at Atlantic City and New York.
August 17-19—National Fraternal Congress of America at Niagara Falls.
September 8-11—Agency clubs, Equitable Life Assurance Society at Cape May, N. J.
September 15-17—National Association of Life Underwriters at Cincinnati, O.
September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.
September 21-26—Third International Congress on Diseases of Occupation at Vienna.
September ——New York Life $200,000 Club at Colorado Springs, Col.
October 7-10—American Life Convention at Dallas, Tex.
——National Association of Mutual Life Underwriters at Chicago, Ill.

The **twenty-fifth annual meeting of the Actuarial Society of America** will be held at the Hotel Astor next week Thursday and Friday, and the expectations are that a larger number of members of the society will be present than at any meeting in late years. A special effort has been made to procure the attendance of the surviving members of the original charter list, and great interest is being taken in the meeting on that account. The first session will open at 11 o'clock on Thursday morning, at which time the election of officers will be held. The annual meeting of the council will be held earlier in the morning for the transaction of routine business. The reading of new papers will be taken up after the election of officers and the admission of new members, after which the papers of the last meeting will be discussed. The annual banquet will be held Thursday evening, with Colonel W. C. Macdonald, of the Confederation Life of Toronto, Ont., the retiring president of the society, acting as toastmaster. The speakers will be from among the original charter members. The meeting will close on Friday. The following is the programme of new papers to be given:

"Charles Gill, the First Actuary in America" (third paper), by Emory McClintock.
"The Interpretation of Some of the Results of the Medico-Actuarial Mortality Investigation," by Dr. Oscar H. Rogers and Arthur Hunter.
"The Installation of a Perforated Card System with a Description of the Peirce Machines," by Percy C. H. Papps.
"Criteria for Testing the Adequacy of Rates for Workman's Compensation Insurance," by Albert Mowbray.
"On the Principles Governing the Valuation of Disability Benefits by a Regular Life Insurance Company," by George Bohlmann.
"Annuities with Participation," by David Parks Fackler.

To be **first in new business** in the States of New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois and other big commonwealths and to have held the leadership year after year is being pointed to by the Prudential as public endorsement of the company, its agency force and its policies. The Prudential stood in first place in 1913, according to published records and the reports of the various insurance departments, in the following leading States:

STATE	Insurance Issued and Revived in 1913.	The Prudential Has Held First Place For
New Jersey	$46,455,660	Sixteen Years
New York	96,645,161	*Three Years
Pennsylvania	76,285,845	Fifteen Years
Ohio	32,426,356	Seven Years
Indiana	21,051,592	Thirteen Years
Illinois	39,676,734	Six Years
Michigan	10,888,521	Two Years
Delaware	2,780,568	Eight Years
West Virginia	4,637,575	Four Years
Kansas	5,715,497	Six Years
Minnesota	6,031,452	Five Years
Colorado	4,262,574	Five Years

*Years 1909, 1910 and 1913.

The company also attained second place in many other States, and since the close of 1908 has added to the insurance in force on its books nearly a billion dollars, making a greater net gain than that of any other company in the world.

The first issue of the **Fidelity Policyholder,** published by the Fidelity Mutual Life of Philadelphia, appeared this week. It is a live publication devoted to the interests of the company's policyholders, which are the interests of the company itself. It advises that every policyholder have himself examined at least once a year by a competent physician, and this is an indication that the company may later provide the examination. The editor of this excellent company paper modestly conceals his name, but in a letter from the company, which has been "faithfully serving insurers since 1878," the following announcement is made by Frank H. Sykes, manager of the department of publicity and supplies:

This little publication is to go out quarterly. In it we shall talk to our policyholders about Fidelity protection, about death losses that have been paid, new ideas that have come into life insurance. We shall give them advice about health, about sanitation, hygiene, prevention of disease and accident, and matters which bear upon the prolongation of life and happiness—all mutual assets of company and policyholder. Our agency force, we have no doubt, will instantly hail the "Fidelity Policyholder" as a friend and helper of no mean worth. And in sending this little publication forth on its first journey of help and good will, we have confidence that it will prove a valuable ambassador to the good graces of our policyholders everywhere.

The final hearing in the matter of the **Prudential mutualization,** mentioned in our issue of last week, was concluded on Friday. The award or finding of the appraisers is now to be

Digitized by Google

made, after which there will probably ensue a long legal battle. It appeared from the arguments that neither party to the proceedings will be satisfied with any award the commissioners will probably make. Both majority and minority stockholders put a high value on the stock of the company, while the attorneys for the policyholders maintained that the commissioners were not entitled to take up the matter of the "good will" of the company at all, as at any time the State of New Jersey might pass laws that would force the company to retire from business, so that "good will" was a quality entirely to be dismissed from the consideration. Attorneys for the stockholders plainly stated that if the price fixed was not satisfactory, they would have the right to decline to sell. The representatives of the company pointed out that to make the price in accordance with the demands of the stockholders would defeat mutualization, as the company could not pay the amount and maintain its financial integrity.

The beginning of business by the **Royal Life of Chicago** was made the occasion of a banquet by the company at the Hotel La Salle, Wednesday evening of last week, the officers and stockholders being present to the number of over three hundred. Addresses were made by President Alfred Clover and other officers. The stockholders present pledged themselves to take over $250,000 of insurance in policies ranging from $2,500 to $10,000, and all the commission on this insurance will be credited to the company. President Clover himself, in the five days since the company had been licensed, had written $624,000 personally, and the company has applications for more than $2,000,000 of insurance. The Royal Life is preparing to enter Iowa, Kentucky, and Michigan, and has applied for admission to Ohio. President Clover has been building up strong local organizations in each State, and during the organization of the company none of its officers have received any salary or commissions on sales of stock. Mr. Clover is an old New York Life man, and has a number of experienced life insurance men connected with him in the organization.

The **reinsurance of the Michigan State Life** by the Lincoln National Life of Fort Wayne, Ind., has been arranged and will be concluded as soon as the deal has received the approval of the Indiana and Michigan insurance departments. The transfer will add about $8,000,000 of insurance in force to the Lincoln, making a total of over $20,000,000, and the additional assets acquired amount to about $850,000, giving the Lincoln assets of about $1,750,000. The protection afforded policyholders of the Michigan State Life is ample in every particular. No changes are to be made in the official staff of the Lincoln National Life on account of the merger, the roster remaining as follows: Samuel M. Foster, president; Arthur F. Hall, first vice president and general manager; B. Paul Mossman, second vice president; Walter T. Shepard, third vice president and manager of agencies; Franklin B. Mead, secretary and actuary; Howell C. Rockhill, treasurer; Dr. Calvin H. English, medical director; Edwin H. Redding, assistant secretary and auditor; Daniel B. Ninde, counsel.

The **Universal Life promotion** at Cleveland, Ohio, has been brought down to earth by the appointment of Ex-Insurance Commissioner E. H. Moore as receiver, following the suit which compelled the company to surrender its charter last week, on the ground that it had never exercised its privileges as a life insurance concern. The company's assets now amount to about $191,000. M. S. Koblitz, counsel for the company, states it has no liability beyond its stock. The Universal was organized in April, 1911, and in May its capital stock was increased to a million dollars. Only $143,000 of stock was ever sold, at an average price of $25 a share, par value $10. It is admitted by the company's counsel that the stockholders will lose under liquidation, but the intention has been stated of reorganizing on smaller capital and merging with the Toledo Life, in which the Universal is a stockholder.

It is announced from San Francisco that the real reason for the **resignation of Willard Done** as insurance commissioner of Utah and moving to the Pacific Coast is that he will be put at once in charge of some important work in connection with the Panama-Pacific Exposition and the World's Insurance Congress. Mr. Done is to replace W. E. Dean, the former president of the California Fire, as member of the executive committee of the Congress, and is expected to be made chairman of the committee. He will also take charge at once of the publicity and legislative department of the Pacific Board of Underwriters, as already announced, and will soon become one of the foremost men in the insurance business on the Coast.

The **Connecticut General** announces a **new combination life and accident policy,** which provides $250 death benefit for death from any cause, $1,250 for death from ordinary accidents and $2,250 for death from accidents of travel or in elevators or in burning buildings, together with liberal benefits for specified accidents and weekly indemnity for total and partial disability. Such a policy should prove an easy seller. No medical examination is required, and there is an accumulation clause in the policy providing for increase of benefits at the rate of 10 per cent. a year for five years.

Agents of the New York Life in Illinois, Iowa and Nebraska met in Chicago on Friday of this week to greet Vice President Thomas A. Buckner, L. Seaton Lindsay, superintendent of agents, and Dr. O. H. Rogers, medical director. The agents had set out to write $6,000,000 of new business between March 1 and May 15 as a testimonial, and on May 1 it was reported that over $5,000,000 had been produced. The final report was to be made at the meeting in Chicago on Friday.

The request of the Mutual Life **to review the judgment** in the case of C. L. Wiggins, of Florida, whose estate secured a verdict of $30,000 against the company, has been granted by the United States Supreme Court. The company maintains that the insurance was procured with fraudulent intent and that it was an error on the part of the Federal courts in Florida to rule that the knowledge by the medical examiner and the soliciting agent was knowledge by the company.

A suit is being conducted against the **Hartford Life** and its predecessor, the Hartford Life and Annuity, in behalf of the estate of Franz Krein, who was for about thirty years a member of the safety fund, but whose policy, according to the company's view, had lapsed before his death. The son of the insured alleges that for about seven years larger assessments were collected than were due, and suit is brought to reinstate the policy on that ground.

The second anniversary of the advent of James J. Hoey in the New York office of the New York insurance department as second deputy was commemorated by the women of the office by the presentation to him of a fine **anniversary cake,** the product of the skill of Miss Catherine McLean. It was decorated with green frosting and two green candles. A handsome fountain pen was also presented to Mr. Hoey by employees in the office.

The **Southland Life** has displayed its enterprise by sending out a handsome **map of Mexico,** which is not merely an old edition, but is a down-to-the-minute plate, showing in color all the salient facts pertaining to the Mexican situation. It is useful and valu-

Digitized by Google

able and should illustrate well the desire of the company to render real service. We acknowledge with thanks the receipt of one of the maps.

Arrangements for the visit of the **$100,000 club of the North American Life** to Atlantic City and New York have been made. The men will leave Chicago on August 7, spend Sunday, Monday and Tuesday in Atlantic City and arrive in New York on Wednesday. The Chicago manager, Thomas S. Swirles, has been in the East making the necessary provision for transportation and entertainment.

The **United States Grand Lodge of the Independent Order of Ahawas Israel** has been put in charge of the liquidation bureau of the New York insurance department. It had 150 subordinate lodges scattered throughout New York, New Jersey, Pennsylvania, Maryland and Rhode Island. The liabilities exceed the assets by about $60,000.

It is expected that the Illinois, Iowa, Minnesota and Missouri delegates will furnish an active **opposition to the proposed increase in rates** on the floor of the coming convention of the Modern Woodmen, and the delegates from those four States may be able to bring about the defeat of the present officers, who favor adequate rates.

The St. Louis Association of Life Underwriters is already **out to secure the 1916 convention** of the National Association of Life Underwriters. A Cincinnati Club has been organized for the purpose of promoting the claims of the association at the Cincinnati convention in September.

The **Central States Life** has elected Frank P. Crunden president, to succeed H. C. Boone, who organized the company. James A. McVoy, formerly with the Missouri insurance department, has been made vice president and general manager.

The **American Mutual Life** has been organized at Lake Charles, La. It has put aside a cash reserve of $100,000 and has secured business amounting to $500,000.

The annual meeting of the **American Institute of Actuaries** will be held at the Hotel La Salle, Chicago, June 2 and 3.

The **Union Central Life** is preparing to amend its charter so as to permit the use of the disability clause.

Casualty Insurance—Surety Bonding.

Dates ahead. The following announcements have been made regarding coming conventions:

July 20-21—Southern Casualty and Surety Conference at Signal Mountain Inn, Chattanooga, Tenn.

September ——International Claim Association (place to be announced).

September ——Brooklyn Safety Exhibit.

September 22-25 (tentative)—International Association of Casualty and Surety Underwriters joint convention with the National Association of Casualty and Surety agents at Greenbriar Hotel, White Sulphur Springs, West Virginia.

September 8-10 (tentative)—American Association of Accident Underwriters at Niagara Falls, Ont.

September 9-11 Detroit Conference at Hotel Shelburne, Atlantic City.

September 9-11—National Mutual Union at Hotel Shelburne, Atlantic City.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

The New York Casualty Exchange on Tuesday adopted the report of a special committee of four recommending the practice with regard to the adjusting of **automobile liability business** prior to May 23. The matter of business bound during the recent rate war in advance of that date remains to be adjusted. The report, which is not obligatory and may not be adopted by all, is as follows:

After giving careful consideration to the work entrusted to your committee it has seemed advisable not to recommend to this Exchange the phraseology for a uniform endorsement to be used by all companies for the adjustment of automobile policies prior to May 23. The basis of competition, which all companies were called upon to meet, is that of 25 per cent. discount from the manual of May 1, with 10 per cent. added for named members of the assured's household and 20 per cent. added for named members of the assured's household and any additional number of additional assureds. It is accordingly recommended that all adjustments be made upon this basis.

Your special attention is called to the provision of this recommendation which requires that the additional interests be named. Inasmuch as this was the basis of the competition proposed by the Travelers and Ætna, adjustment upon this basis would seem to fulfill any promises made by any company looking for the protection of its own business. In making this recommendation the committee is not unmindful of the fact that one or two companies in a few instances granted coverage slightly broader than the endorsement referred to, and in a few instances authorized lower rates. These few instances, however, we believe are negligible in their effect upon the entire situation. It is recommended that substantially the following indorsement, expressed in the language to suit each individual company, be used:

In consideration of an additional premium of.....dollars, it is hereby understood and agreed that the under-mentioned policy shall include, in addition to the assured named, the following persons as additional assureds (members of the assured's household).....

.....

.....

Inasmuch as the present situation may produce a very great number of additional assureds your attention is called to the possible difficulties which may be encountered in executing cancellations or providing return premiums. The following is accordingly suggested as an addition to any indorsement which may be used:

It is understood and agreed that in consideration of the above extension, notice to the first named assured of the cancellation of this policy shall be notice of cancellation to all persons, and notice to the company of cancellation by the named assured shall constitute notice of cancellation by all persons, and the check of the company for the amount of the unearned premium, if any, payable to the order of the named assured when mailed to the named assured at the address given, shall constitute proper tender of the same.

GLOBE INDEMNITY CO.,
TRAVELERS INSURANCE CO.,
HARTFORD ACCIDENT AND INDEMNITY CO.,
ROYAL INDEMNITY CO.

NOTE.—When the 20 per cent. additional charge is made the words "members of the assured's household" may be omitted from the indorsement.

The *Journal of Commerce* describes a **clever plan** by means of which one of the large liability companies will seek **to relieve its liability department** of a heavy burden under the New York workmen's compensation law. The item by our contemporary reads as follows:

A very clever method of handling the losses which are expected to occur under workmen's compensation policies has been evolved by one of the large liability companies which also transacts a considerable life insurance business. It is proposed that under the New York compensation law, when claims occur under the companies' compensation policies involving total permanent disability or death, the amount of compensation to be paid the injured workmen, or, in the event of death, the amount annually due his dependents will be insured with the company's life department under the usual annuity system. By this arrangement the liability department will pay the life department the sum necessary to procure the annuity equal to the compensation to which the claimant would be entitled under the law, and thereby relieve the liability department of further obligation.

The scheme is to transact the business on the customary basis of rates for annuity insurance, the life department taking into consideration the physical condition of the injured party and his age or the age of the dependents in calculating the sum to be paid by the liability department. Naturally, the more seriously injured the workman was the shorter the expectation of his survival, and the age of the dependents would likewise be an important factor.

By this method the life department will derive a considerable annuity business and possibly make the usual underwriting and banking profit. On the other hand, the liability department would be freed from a large volume of outstanding liabilities, and although its loss payments would be heavier the department would on the whole be able to make a better statement than its competitors in this class of business, as it would have dis-

(*Continued on page* 439)

Digitized by Google

The Weekly Underwriter:

MONTHLY LIABILITY INSURANCE SUPPLEMENT.

NEW YORK, MAY 16, 1914.

TUNNELING.

Inspection of Incidental Construction Work, with an Historical Sketch of Similar Operations from Ancient to Modern Times.

By Robert H. Pearson, Consulting Engineer, Globe Indemnity Company, New York City.

Tunneling is defined as the process of making a more or less horizontal underground passage, without removing the top soil, and to attain this end it is necessary to sink a shaft or shafts to the desired invert of passageway or tunnel proper, access for workmen, removal of spoil, and connection with the atmosphere being obtained by this means.

Underground passage made by means of trenching downwards from the surface, after which the space is lined and arched by masonry or steel and soil returned to remaining part of trench, is known as cut and cover work, and in some cases this class of work is carried on under timbering and decking, notably in work passing through the streets of large cities, where it would be inconvenient or impossible to divert or interfere with traffic, the spoil in this case being carried under decking to convenient points, generally chosen on side streets, where it is mechanically elevated to hopper, under which wagons are loaded and the rock or earth is carried from thence to disposal points.

Large size tunnels are sometimes made by means of advancing a smaller tunnel and increasing the size as the work proceeds, operations of this kind being known as "driving a heading," and resorted to mostly in mining, where such terms as "gallery," "driftway," or "adit" are used.

In cases where the passage to underground work is vertical it is a "shaft," and the operations are known as "sinking," if the work starts on the surface, and if the work starts upwards from a heading or gallery it is known as a "rising."

The many examples of natural caves and tunnels in existence no doubt had an influence on the human race, and man made use of nature's teaching very extensively in ages of which we have no record other than the dwellings, tombs, quarries, mines, aqueducts and kindred work which remain as monuments to the mighty and patient past.

Petrie has traced the method of underground quarrying followed by the Egyptians near the pyramids, and it is interesting to know that to obtain the huge stones used in constructing the Pyramids parallel galleries about 20 feet square were driven into the rock and cross galleries cut, so that a hall 300 to 400 feet wide was formed, with a roof supported by rows of pillars 20 feet square and 20 feet apart. Blocks of stone were removed by the workmen cutting grooves around them, and where the stone was not required for use, but had to be removed to form a gallery, the grooves were large enough for a man to stand upright in.

Where granite, diorite, and other hard rock had to be cut, the work was done by tube drills and by saws supplied with corundum or other hard, gritty material, and water, the drills leaving a core of rock exactly like that of the modern diamond drill.

Pliny (A.D. 23-80) refers to the tunnel constructed for the drainage of Lake Fucino as the

GREATEST PUBLIC WORK OF THE TIME.

It was by far the longest tunnel in the world, being more than three and one-half miles in length, and was driven under Monte Salviano, which necessitated shafts no less than 400 feet in depth. It is stated that 30,000 laborers were occupied eleven years in its construction. One can see the difficulties under which the ancients worked when the fact is realized that a tunnel of the same kind could be driven with modern appliances from two ends without intermediate shafts in about two months.

Gunpowder changed the ancient methods of the Romans, but records show that excavation was carried on by means of pick-axe, hammer and chisel, and that fire was applied to rock in heading to split and soften in advance, up to the seventeenth century, ventilation being obtained by means of shaking cloth in the heading and placing incline boards at top of shaft.

In 1825 Brunel commenced and in 1843 completed the tunnel under the River Thames. This was driven at points through liquid mud by the aid of a "shield" at a cost of about $6,500 per lineal yard.

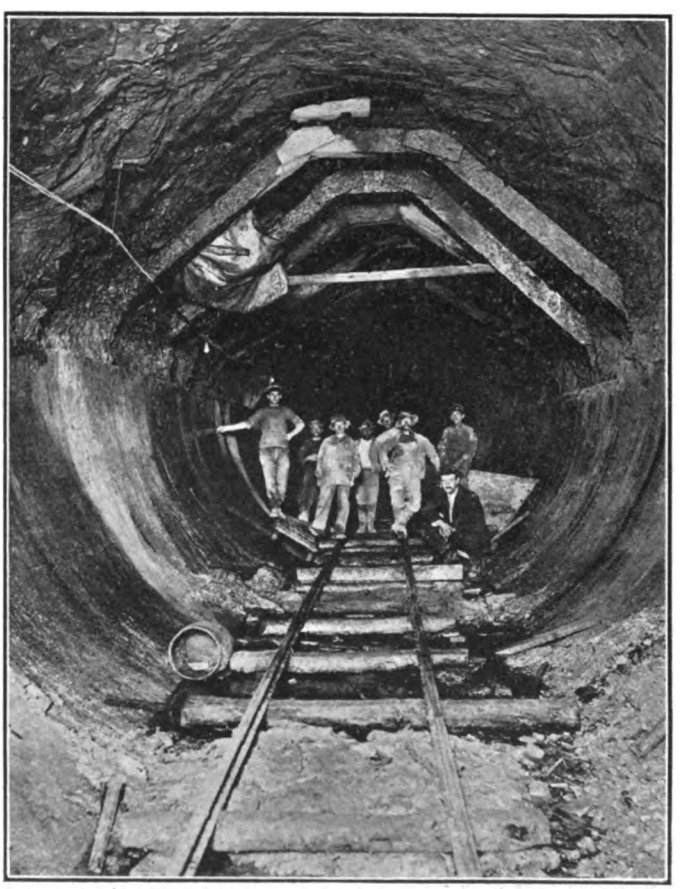
In 1872 Cheeseborough began tunneling under the Detroit River, between Canada and Michigan, but the work was abandoned after 600 yards of heading had been driven, owing to irruptions of water, since which time work was resumed, and this tunnel is now an accomplished fact.

The Severn tunnel, four and one-third miles in length, was commenced in 1873 and finished in 1886.

OTHER EXAMPLES OF SUBAQUEOUS TUNNELING

are the Mercey tunnel; the Brooklyn tunnel, connecting Manhattan with Brooklyn; the Hudson tunnel, connecting New York City with Jersey; the aqueduct tunnel under the Hudson at Storm King, and the Pennsylvania Railroad tunnel connecting New Jersey with Manhattan and Manhattan with Long Island.

Small subaqueous tunnels have been driven through clay without difficulty under Lakes Michigan and Erie. In 1807 a heading



INVERT FORMS IN PLACE; ROOF TIMBERING.

Digitized by Google

was driven nearly across the Thames, and eighty years later two iron lined tunnels (each 10 feet 6 inches) were constructed under the river, close to the foundation of London Bridge, with the aid of a small annular shield advanced by hydraulic pressure. Where open gravel or water has to be tunneled through a diaphragm must be filled to the shield. Mallett proposed in 1858 to carry in this way a tubular tunnel across the English Channel.

Where a great thickness of rock overlies a tunnel, it is necessary to do the work wholly from the two ends without intermediate shafts. The problem resolves itself into devising the most expeditious way of excavating and removing the rock, and there was none of the uncertainties and difficulties which make subaqueous tunneling of such high interest. Experience has led to great advances in speed and economy, as will be seen from the following particulars of the three tunnels through the Alps:

Tunnel.	Length, miles.	Progress per day, lineal yards.	Cost, per lineal yard.
Mount Cenis	7 1/2	6.57	$1,130
St. Gothard	9 1/3	6.01	715
Arlberg	6 1/5	9.07	540

In 1857 the first blast was fired in connection with the Mont Cenis works; in 1861 machine drilling was introduced, and in 1871 the tunnel was opened for traffic. With the exception of about 300 yards, the tunnel is lined through with brick or stone.

In 1872 the St. Gothard tunnel was commenced, and in 1881 the first locomotive ran through it. Mechanical drills were used from the commencement. Tunneling was carried on by driving in advance a heading about 8 feet square, then enlarging this sideways and finally sinking the excavation to invert level. Air for working the rock drills was compressed to seven atmospheres by turbines of about 2,000 horse-power. Six to eight Ferroux drills, making about 180 blows a minute, were mounted on a car and pushed up to the point of attack.

The driving of the Alberg tunnel was commenced in 1880 and the work was completed in a little more than three years. The main heading was driven along the bottom of the tunnel and shafts were opened up twenty-five to thirty yards apart, from which smaller headings were driven right and left. The tunnel was enlarged to its full section at different points simultaneously in lengths of eight yards, the excavation of each occupying about twenty days, and the masonry fourteen days. Ferroux percussion air drills and Brandt rotary hydraulic drills were used; the performance of the latter was especially satisfactory. After each blast a fine spray of water was injected, which assisted the ventilation materially.

In the St. Gothard tunnel the discharge of the air drills was relied on for ventilation. In the Arlberg tunnel over 8,000 cubic feet of air per minute was thrown in by ventilators.

THE CROTON AQUEDUCT TUNNEL

from Croton dam to the reservoir in New York City is worthy of note, both for its great length and the rapid progress made with it. The distance is thirty-three and one-fourth miles and the whole is practically tunneled in rock. Shafts were sunk about one and one-half miles apart and headings driven each way. Ingersoll drills were chiefly used and the rate of advance with the headings was in 1886 one and one-fourth miles per month. The old aqueduct was 7 feet 8 inches wide by 8 feet 5 inches high; the new one is 13 feet 7 inches in height and width.

Subaqueous tunneling has been resorted to frequently for demolition purposes, notably in the case of the Flood Rock, a mass about nine acres in extent near Long Island Sound, New York City. To effect this gigantic work by a single instantaneous blast a shaft was sunk 64 feet below sea level, from the bottom of which four miles of tunnels or galleries were driven, so as to completely honeycomb the rock. The roof rock ranged from 10 feet to 24 feet in thickness, and was supported by 467 pillars 15 feet square; 13,286 holes, averaging 9 feet in length and 3 inches in diameter, were drilled in the pillars and roof. About 80,000 cubic yards of rock were excavated in the galleries and 275,000 remained to be blasted. The holes were charged with 110 tons of "rackarock," a most powerful explosive. This was fired by electricity and the demolition was made complete.

THE LATEST,

and perhaps the greatest engineering feat of its kind, is now practically completed, and the final stages of the gigantic "Catskill Aqueduct" threads its way under the public parks and busy streets of New York City, with nothing to indicate its progress excepting lone sentinels in the form of shaft superstructure erected on side streets, clear of heavy traffic, and placed about three-quarters of a mile apart.

This immense undertaking was made necessary owing to the fact that the population of New York City was increasing at the rate of approximately 125,000 per year, and on October 9, 1905, the Board of Water Supply submitted for approval to the Board of Estimate and Apportionment a plan for obtaining from the Esopus, Rondout, Schoharie and Catskill Creeks a supply of not less than 500,000,000 gallons of water daily, at an estimated cost of $161,857,000. On October 27, 1905, this plan was unanimously approved by the Board of Estimate and Apportionment, and on November 3 of that year application was made to the State Water Supply Commission for approval as provided by law. On May 14, 1906, this approval was granted, and in less than six months the first construction contract for eleven miles of aqueduct was let.

The completion of the plan for the delivery of Catskill water to all the boroughs of the city was approved by the Board of Estimate and Apportionment on December 10, 1909, and again, after exhaustive investigation, on July 1, 1910.

The plan for the delivery of water to the boroughs of the city increased the estimated cost by $15,000,000.

A brief description of the main features of the work on the Catskill water system will give an idea of its magnitude and should be of much interest to the inspector who may be called upon to survey similar undertakings or any part thereof.

THE ASHOKAN RESERVOIR,

about fourteen miles west of the Hudson at Kingston, has been built under contracts amounting to nearly $14,000,000. The Olive Bridge dam, across Esopus Creek, the Beaver Kill and Hurley dikes, across smaller streams and gaps between the hills, forming the natural walls of the reservoir, the dividing dike and weir dividing the reservoir into two basins, and the waste weir over which the surplus flood waters may safely be discharged, are the principal structures of the reservoir. The water which the reservoir will hold would cover all Manhattan Island to a depth of 28 feet; the area of its surface is equivalent to that of Manhattan below 116th Street.

FEATURES ABOUT RESERVOIR.

Capacity	130,000,000,000 gallons
Water surface	8,180 acres—128 sq. m.
Land acquired	15,222 acres
Elevation of water (full reservoir)	590 feet above tide
Elevation of tops of dams	610 feet above tide
Length of reservoir, 12 miles. Length of shore line	40 miles
Length of dams and dikes	5½ miles
Width of reservoir, maximum, 3 miles' average	1 mile
Depth of reservoir, maximum 190 feet average	50 feet
Villages to be submerged, 7. Permanent population of villages in 1905	2,000
Cemeteries removed, 32. Bodies reinterred	2,800
Railroad being relocated	11 miles
Highways to be discontinued, 64 miles. Highways built	35 miles
Bridges built	10
Earth and rock excavated	2,468,000 cu. yds.
Embankment placed	8,025,000 cu. yds.
Masonry placed	820,000 cu. yds.
Cement placed	1,160,000 bbls.
Maximum number of men employed	3,000

THE KENSICO RESERVOIR,

east of the Hudson, and thirty miles from the City Hall, will contain several weeks' supply of Catskill water. It will act as an emergency storage reservoir, so that the supply will not be interrupted in case of inspection, cleaning or accident to the seven miles of aqueduct between it and Ashokan. Its capacity will be 40,000,000,000 gallons, and it has been constructed under contracts amounting to nearly $8,500,000.

THE HILL VIEW RESERVOIR

is in Yonkers, at the city line, and fifteen miles south of Kensico. Its function will be to equalize the difference between the use of water in the city as it varies from hour to hour and the steady flow in the aqueduct. It will also furnish large quantities of water upon immediate demand, as in a great conflagration. It will hold 900,000,000 gallons. The contract for its construction was let for $3,370,000.

THE CATSKILL AQUEDUCT.

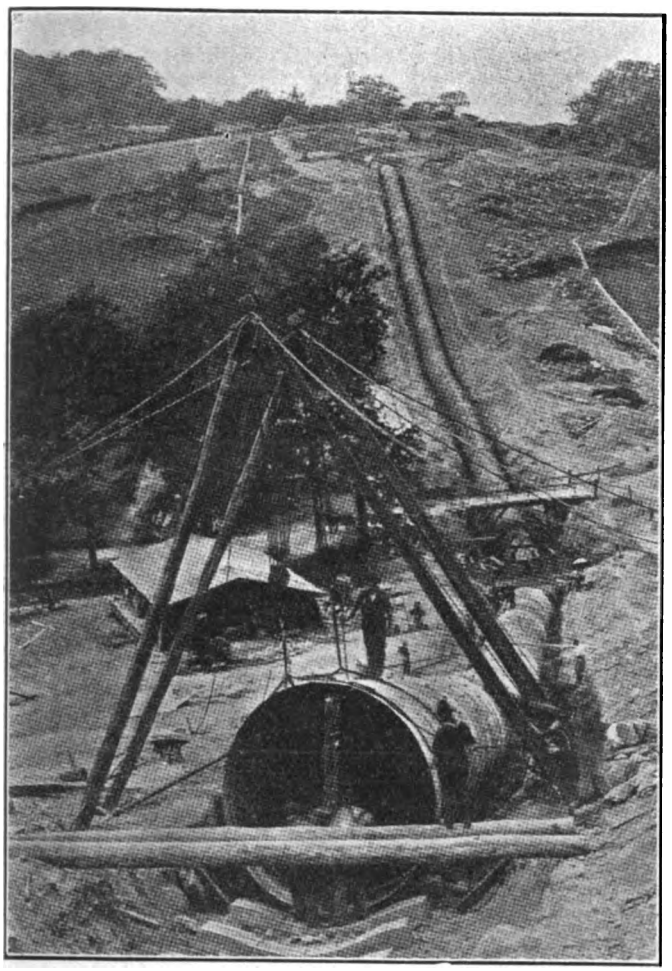
There are four distinct types of aqueduct, cut-and-cover, grade tunnel, pressure tunnel and steel-pipe siphon, north of the city line.

The cut-and-cover type forms fifty-five miles of the aqueduct, and is of horseshoe shape, 17 feet high by 17 feet 6 inches wide inside, constructed of concrete.

Where hills or mountains cross the line and it was impracticable to circumvent them, tunnels at the natural elevation of the aqueduct were driven through them. There are twenty-four of these grade tunnels, aggregating fourteen miles. They also are horseshoe shape, 17 feet high by 13 feet 4 inches wide, and lined throughout with concrete.

Where deep and broad valleys were crossed and there was suitable rock beneath them, circular tunnels were driven deep

Digitized by Google



CATSKILL AQUEDUCT.

Hunter's Brook steel-pipe siphon being erected on concrete cradles previously placed. Pipe to be imbedded in concrete and lined with Portland cement mortar.

in the rock and lined with concrete. There are seven pressure tunnels, totaling seventeen miles, with a diameter of about 14 feet. A shaft at each extremity connects each pressure tunnel with the adjacent portions of the aqueduct.

Steel pipe siphons are used in valleys where the rock is not sound or where for other reasons pressure tunnels would be impracticable. These steel pipes are made of plates riveted together, from 7/16 to ¾ inch in thickness, and are 9 feet and 11 feet in diameter. They are lined with two inches of cement mortar, embedded in concrete and covered with an earth embankment. There are fourteen of these siphons, aggregating six miles. Three pipes are required in each siphon for the full capacity of the aqueduct, but only one is now being laid.

THE CITY AQUEDUCT.

From the Hill View reservoir, Catskill water will be delivered to the five boroughs by a circular tunnel in solid rock reducing in diameter from 15 feet to 13, 12 and 11 feet. From two terminal shafts in Brooklyn steel and iron pipe lines will extend into Queens and Richmond. A cast-iron pipe, resting on the harbor bottom, will cross the Narrows to the Silver Lake reservoir on Staten Island, holding 400,000,000 gallons. The total length of this delivery system is over thirty-four miles. The tunnel will be at depths of 200 to 750 feet below the street surface, thus avoiding interference with streets, buildings, subways, sewers and pipes. These depths are necessary also to secure a substantial rock covering to withstand the bursting pressure. The tunnel is being constructed from twenty-four shafts about 4,000 feet apart, located in parks and other places where they will interfere very little with traffic. Through these shafts, also, the water will be delivered into existing pipes. Tunnel and shafts will be lined with concrete. Contracts for the entire tunnel and portions of the pipe-lines were awarded in 1911, and work on them is now in progress. The estimated cost is $25,000,000 for tunnel, pipe-lines and Silver Lake reservoir.

The depth of the shafts of the city tunnel range from 203 to 740 feet, and one shaft at Storm King was over 1,100 feet deep.

CAMP AND EQUIPMENT AT ASHOKAN RESERVOIR.

In all of the contracts sanitary clauses were inserted to the end that the health of employees, of local communities, and of people using water from the drainage areas affected by the construction operations would be safeguarded. Employees violating sanitary rules were summarily dismissed and not again employed. Ample supplies of wholesome water were insisted upon, as well as good food and sanitary conditions generally. A brief description of the largest camp will show clearly the scope of these precautions.

The work on the Ashokan dams employed an army of 3,000 men, many of whom lived with their families in camps built by the contractor near the work. The camps were divided into Italian and negro sections, while the Americans lived separately. They were provided with sewerage and water-supply systems, a special plant for the disposal of sewage, good dwellings, generally one-story wooden structures with screens on all doors and windows, well laid-out streets, electric lights, telephones, savings bank, hospital, general store, bakery, police regulations, fire protection and a kindergarten and schools for children.

An evening school for men was one of the features of the camp. The eight-hour day gave plenty of spare time to attend the school, where the elements of the English language and of national, State and city governments were taught; all in an effort toward good citizenship and promoting efficiency in the workmen. These camp schools were instituted by the commissioners personally and supported by private subscription, with the assistance of the contractors.

Besides the camp city, there were other smaller camps on outlying parts of the work. For constructing this reservoir the contractors had assembled plants (machinery, railroads, derricks, etc.) costing much more than a million dollars. These plants included approximately thirty miles of railroad, thirty-three locomotives, 579 cars, 60 derricks, seven cableways, sixteen steam rollers, ten steam shovels, a steel trestle bridge 390 feet long and 85 feet high, compressor plants, stone crushers, concrete mixers, etc., etc. Quarries were opened in the nearby hills to obtain stone, and several hills of clayey earth dug away to build the earth dams. The entire line of operations were patrolled by mounted constables, whose duty is was to protect the property and people along the course of work.

GENERAL REMARKS.

Tunneling operations and work incidental to this class of business opens up a very large field for study, and although conditions are continually changing during the progress of such work, the inspector who concentrates his mind on any contract work of this class to which he is deputed will have full opportunity to prove his intelligence and worth.

While it is impossible to lay down a specific guide or generalize any particular line of conduct for the inspector to pursue in following up operations of this nature, a brief summary of the main hazards attending work such as this may be of use.

A study of the men controlling operations and their methods is of primary importance, and will naturally assist the inspector in forming an opinion regarding the qualities of the hazard from an insurance point of view.

The class of labor available for work of this kind is mostly foreign and a large majority of the men are inexperienced. Superintendents and foremen in charge, as a rule, do not speak the language of the laborers, and for this reason it is necessary to appoint a man to lead each gang who may have no other qualification as a leader than that of being a linguist, and very often their qualifications in this line are limited to an extent that sometimes leads to misinterpretation and consequent disaster.

The gang boss, besides being a linguist, should be trustworthy and experienced.

Engineers in charge, superintendents and foremen should be men of proven ability, and it will be found in modern practice that most men who hold such positions are of a high class; that the days of the bully boss have passed away and with it the impression that any foreigner can be made to understand an order given in English if the adjectives used are sufficiently strong and the voice loud enough.

Another class of boss who is fast disappearing, and who is a menace to safety, is the man who thinks that his employers' best interests can be served by personal muscular demonstration, forgetting that while engaged in feats of strength he is neglecting the general supervision for which he is paid and that while

Digitized by Google

so engaged at one point his men are running into dangers which his superior knowledge should foresee and avert at another.

The superintendent in charge should realize that it is his bounden duty to not only see that the working places of his men are made safe, but he should also see that the men themselves exercise care and caution in carrying on their work.

Competition in progress between division superintendents is responsible for many accidents, but progress minus safety is poor economy, as one accident will seriously hinder the work, and a catastrophe may mean a considerable shut-down with the loss of all profits or more, and also the future good name of all who are responsible.

The inspector has good argument both from a humanitarian and economic standpoint where he finds conditions such as may lead to loss of life or limb in work of this class, and he should lose no time in requesting immediate action and remedy where such conditions prevail.

THE MAGAZINE.

The law demands the highest possible degree of care in the storage and handling of explosives, and as tunneling operations necessitate the carrying of large quantities of such material, the inspector should particularly note the location of the magazine and the method of handling its contents.

The main magazine should be situated on high ground about half a mile from the workings; the storage part should be underground, well below the frost line, and should be constructed with an inner and outer shell, the interstices being filled with green stable manure. No primers or detonators should be stored in the magazine, nor should tools, cotton waste, oil or other material of a similar kind have a place near explosives.

Boxes containing dynamite should not be opened within the magazine, and wooden mallets and wooden wedges should be used when opening the boxes at a distance from the storage point.

The magazine temperature should never exceed 90 degrees F., and the minimum temperature should not be less than 52 degrees F.

The magazine should be kept free from dampness, otherwise the nitroglycerine contained in the dynamite will exude and form liquid nitroglycerine, which is extremely dangerous, and for this reason good ventilation is necessary.

The magazine should have an attendant on guard night and day, and no one should have access to it excepting the man in charge and his assistants, otherwise part of its contents may fall into the hands of men who would use it for purposes for which it was never meant.

DYNAMITE.

The freezing point of dynamite is between 42 and 50 degrees F., and sometimes this explosive will freeze hard when water would not be affected.

When thawing is necessary, great care should be used, as after the temperature reaches 158° F. the explosive becomes more sensitive to shock; at 200° F. a slight shock will cause explosion, and a temperature of 356° F. will cause explosion without shock. For this reason thawing by means of fire or by contact with steam pipes, boilers or smokestacks should be absolutely prohibited.

Another method of thawing which is sometimes resorted to, and which carries considerable hazard, is that of placing the cartridges in a close vessel inserted in another vessel containing water, which is set to boil over a fire, and workmen have been known to carry frozen dynamite under their clothes, so that the heat of their bodies would thaw it out.

THAWING CHAMBER.

A thawing chamber should be installed on all work where dynamite is used, and this should be set up about midway between the magazine and the working place.

The chamber should be heated to 85° F. by means of steam or hot water radiators screened in or otherwise protected to prevent dynamite from being placed on or against them, and under no circumstances should detonators, caps or primers find their way into the chamber.

HANDLING AND FIRING.

The greatest care should be used in the handling and firing of dynamite; it should be impressed on the minds of men who may be strange to this class of work that frozen dynamite, though capable of withstanding heavy shock, is very sensitive to friction, and that any attempt to cut or break a stick of dynamite in a frozen state entails certain death.

To remove a cap or primer from a frozen stick of dynamite is criminal.

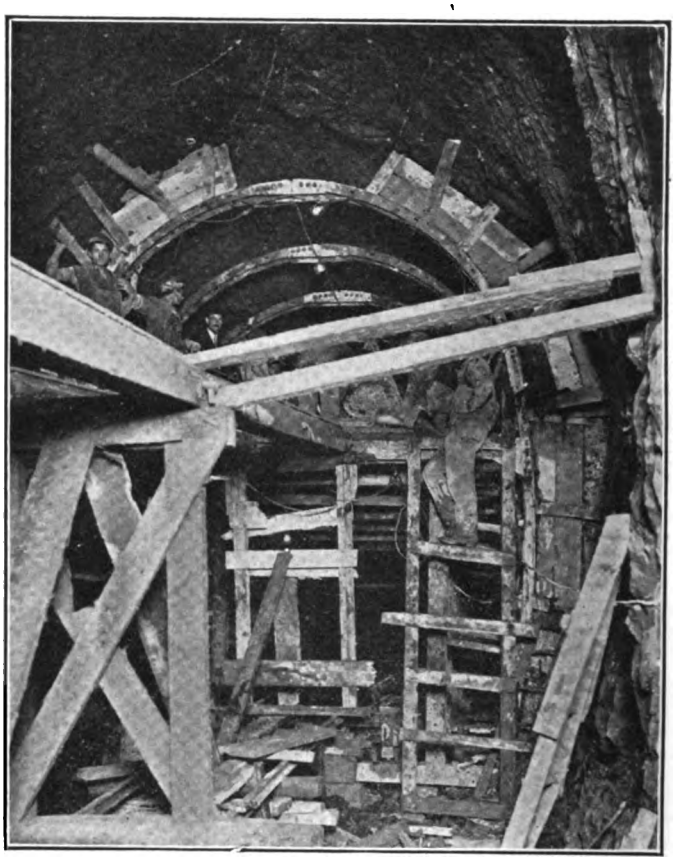
Wooden rammers should be used in tamping drill holes, and all such tamping should be done by direct pressure and not by stroke.

The highest power nitroglycerine dynamite allowed by law contains 80 per cent. nitroglycerine, and the detonating strength of legal blasting caps should be obtained by using 9½ grains of explosive mixture, 80 per cent. of which contains fulminate of mercury and 20 per cent. of chlorate of potash.

Detonators should be carefully handled; a fall against any hard body, friction caused by stepping on one, having them in workmen's clothes when working in confined places or climbing around unequal rock surface will cause them to explode.

The regulation blasting machine should be used in firing, and the handle of this should be entwined several times to generate and assure full current.

In firing a series of shots at short intervals, or at once, every care should be taken so that no "dead shots" be left in place, as such unexploded shot, if struck with a crowbar or otherwise accidentally detonated, will surely entail a heavy toll in life and limb.



Setting Lining Forms.

Immediately before setting off a blast the workmen within the danger zone should be warned off by means of steam whistle or siren, and the man in charge of firing should have assistants who see that every one has cleared out of the danger line, and no shots should be fired until these assistants have reported verbally to their superior in charge of the battery that all is well.

POWER PLANT AND WORKING EQUIPMENT.

The quality and installation of the mechanical equipment is of vital importance, and the inspector will find many cases on this class of work where the temporary nature of the use for which the plant is installed is made an excuse for carelessness.

The power house should receive special attention and all flywheels and reciprocating parts of engines should be railed in. Compressors and dynamos should be guarded along danger lines and steam and air lines examined carefully. The switchboard should be guarded in such a way as to insure the ignorant against contact with current, and wire conduits should be examined within and without the building. The condition of boilers and the source of feed supply should be ascertained and fittings should be examined, especially safety valves and water columns.

Stone crushers and concrete mixers should be examined and

Digitized by Google

particular attention should be paid to the guarding of belts, sprockets, gears, shafting and clutches on these machines, and conveyors should be looked to for danger points. Derricks carelessly set up is another subject for close inspection, and cribbing under base on uneven ground should be examined. Counterbalancing by means of loose stones set on platform is bad practice, and all such balance should either be contained in a strong box or stones cemented together so as to form a solid mass. All hoisting, guy and other cables should be inspectel closely and guy anchorage should be examined.

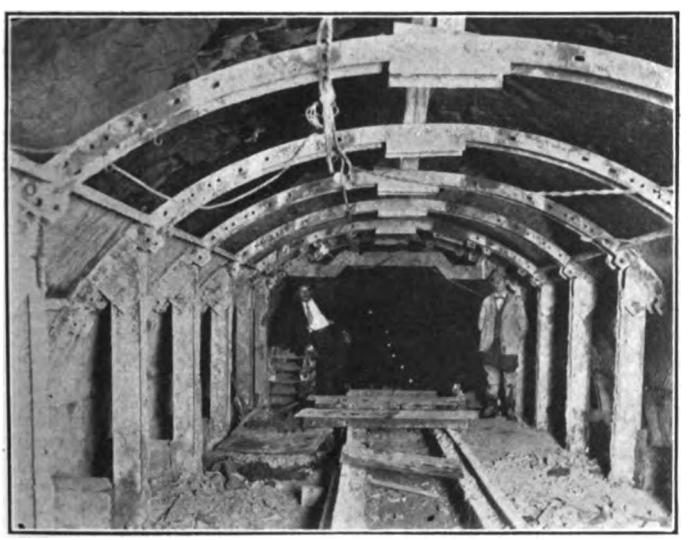
Buckets should be inspected and condition of latches noted, and safety hooks should be recommended in all cases. Where narrow-gauge railroad is used between shaft and disposal points, the tracks should be examined, and where trestle is necessary, the construction and material should be closely examined, and if workmen are allowed to ride on locomotives or dump cars, a protest against such practice should be made to the superintendent at once.

TUNNEL SHAFT.

Leaving surface operations, we now come to the first stage of the underground work, and in comparison with the dangers of the tunnel proper this first stage or "shaft" far exceeds that of the main work, the vertical workers being exposed to falling rock from the surface and from the shaft sides, and they are also in continuous danger from the spoil buckets, which are being continuously lifted and lowered over their heads.

Where the shaft is made for permanent use the sides are usually concreted, and this work should closely follow excavation, and where the shaft is made for temporary use, the sides should be properly timbered and shored wherever necessary.

Riding in buckets should be discouraged, and properly constructed ladders set up in short and varied flights around the wall should be used wherever possible.



STEEL FORM FRAMING IN PLACE.

The use of safety hooks in hoisting operations should be insisted on, and a proper and efficient system of signaling should be established between the hoisting engineer and the workings.

As the vertical line nears the tunnel invert, the danger from falling objects can be very much decreased if the shaft area is increased, and humane contractors usually widen the shaft at the bottom for this purpose; when the shaft reaches its proper depth the guides and framing for hoists or elevators are put in place, and a steam or electric hoisting engine is installed instead of the derricks which were used for hoisting the spoil in buckets.

Men and material are now handled to and from the underground work with as much ease as they would be in a factory building, and if the elevator installation is of as good quality as it should be, the degree of safety is nearly equal.

TUNNEL.

As soon as the shaft is completed the tunnel work is advanced, and as the distance between heading and shaft increases, narrow-guage railroad is laid on invert, the cars which run on same being either hauled by mules with spoil to shaft or by electric locomotive taking current from a trolley cable suspended from tunnel roof, other cables stretched along the tunnel sides furnishing current for lights strung at intervals along the lines. Several serious electric accidents have been due to workmen carelessly connecting tools or material, such as iron rods or pipes, with the trolley cable, and if these cables were provided with a wooden shelf, say ten inches broad, suspended from roof over top of cable, or still better, two narrower wooden shelves made V-shape over cable, a good partial protection would be made and less accidents happen. Riding on cars should not be allowed, and car service should be maintained in such a way as to allow for safe pedestrian passage between car and tunnel sides at all times.

Lighting and good ventilation is of the utmost value in preventing accidents to tunnel workers, and if constant and careful inspection of the condition of roofing and sides of excavation is made and scaling and timbering is given proper attention, the heavy death rate and mutilation, considered by some as inevitable, on this class of work could be decreased to a surprising minimum.

HEADING DANGERS

can be reduced if crowding the men at this point be eliminated, and if trained men only were employed on heading work, crowding could be avoided, the work would be done better and in my opinion the rates of advance would increase.

Concreting should closely follow excavation for the better safety of all concerned, and economy would also result from this practice, less timbering being required, and space, which is an important factor, would be available for other purposes.

Drilling should be carried on by workmen who are thoroughly competent, and who know how to safely set up their machines, as many accidents are due to this class of work being carelessly handled, and all shooting should be done by skilled men, who realize the importance and dangers of their calling.

COMING AGAIN TO THE SURFACE,

it is the final and one of the most important duties of the inspector to thoroughly examine the hoisting machinery, which is housed in the superstructure over the shaft; gears and all other danger points should be cased in, brakes specially inspected, and a full examination of all cables made; the safeties having presumably been examined while the cars were in the shaft bottom. Platforms and bridging, as also stairways on superstructure, should receive attention, and wherever handrails are omitted, a request should be made for such installation.

Statistics furnished by responsible authority show that the death rate on tunnel work approximates 4.7 per 1,000 men per annum; that serious accidents amounting to mutilation approximates 16 per 1,000 men per annum, and that the approximate of minor accidents amounts to 62 per 1,000 men per annum.

Many high-class underwriters deny that inspection of tunneling or kindred operations has sufficient value to warrant the expense, their argument being that in work of this class conditions are constantly changing, and for this reason inspections would require the gift of prophecy to be of use.

With all due deference to such an opinion, the writer has experience on this class of work, which proves to him beyond the question of a doubt the value of inspection, even in cases where visits of inspection were only occasional, and I feel certain that any company which has construction work on its books can prove at small expense whether it is better to take a chance on this class of business or have it inspected periodically, or even better, depute a qualified inspector solely to work of this kind in cases where the premium is sufficiently large to warrant the expenditure, remembering that if inspection discloses only one cause for death or disaster, and timely precaution prevents such death or disaster, that the cost of inspection has given good and ample returns.

Inspection which does not foresee or forestall accidents is an open book and is often criticised, sometimes very unreasonably, but the many cases which inspection foresees and prevents by timely advice is an unknown quantity and has usually only a clear conscience for its reward.

LIABILITY COURT DECISIONS.

A Concise and Convenient Digest of Rulings of Courts of Last Resort in the Various States Affecting the Business of Liability Insurance.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Arizona.

1. Workmen's Compensation Act—Statutes of Arizona—Constitutional Law—Election of Remedies.

Under the laws of Arizona, an injured employee may elect to

Digitized by Google

sue to enforce the employer's common law liability, relieved of the defense of fellow-servant rule, with the right to have the defense of contributory negligence and assumed risk left to the jury, as provided by the Constitution of Arizona (Art. 18, Secs. 4, 5), or the injured employee may sue under the employers' liability act of Arizona (Laws 1912, Chap. 89), applying to hazardous occupations, where the injury or death is not caused by the employee's own negligence, or he may elect to enforce compulsory compensation, under Constitution (Art. 18, Sec. 8; Laws 1912, 1st sp. sess., Chap. 14), applicable to especially dangerous occupations, by which a recovery may be had for injuries occasioned without fault on the part of the employer.

2. Same—Same—Same—Time.

Where the workmen's compensation act of Arizona (Laws 1912, 1st sp. sess., Chap. 14) provides that, ten days after the act takes effect, it shall be held in law that all workmen then in the employ and all workmen thereafter employed by an employer at mechanical or manual labor of the kinds defined therein are employed and working under the act, and that the employer and workman shall each be alike bound by and shall have each and every benefit and right given in the act, the same as if a mutual contract to that effect was entered into between the employer and the workman at any time before the happening of the accident, under the Constitution (Art. 18, Sec. 8), providing that the legislature shall enact a workmen's compensation act, provided that it shall be optional with the employee to settle for such compensation or retain the right to sue the employer as provided by the Constitution, the workmen's compensation act must be construed as regulative of the respective rights and obligations of employer and employee in those cases where injury results and the employee exercises his option to accept compensation and the employer refuses to pay, and does not require the employee to elect as to which remedy he will adopt prior to the time of the injury.

3. Same—Same—Adoption.

Under the workmen's compensation act of Arizona, declaring that a suit brought by a workman shall be held an election to pursue such remedy exclusively, an injured employee is at liberty to pursue any of the remedies provided by law until he adopts one by instituting suit for redress, when the one adopted becomes exclusive.

Judgment for plaintiff in Superior Court, Yavapai County, here affirmed in the Supreme Court of Arizona.

CONSOLIDATED ARIZONA SMELTING COMPANY VS. UJACK,
139 Pacific, 465. (March 17, 1914.)

Indiana.

1. Injury to Bridge Painter—Electric Current—Sufficiency of Complaint—Knowledge of Dangers.

In an action for death of a bridge painter caused by contact with or near approach to the trolley or feed wires strung on an electric railway bridge, the complaint must allege that the deceased had no knowledge of the defect or danger alleged to have caused his death. While either actual or constructive knowledge by a servant of the defect complained of and the danger resulting therefrom defeats a right of recovery, an allegation that the servant did not know of the defect and the danger repels both actual and constructive knowledge and is sufficient. An allegation that the decedent did not know of the dangerous proximity of the wires is insufficient, where it appeared from the complaint that the wires were in plain view and uncovered, and that the decedent's opportunity for knowledge was practically equal to that of the employer. An averment that the decedent did not know of the dangerous condition of the wires includes a want of knowledge that the wires were uninsulated and heavily charged with electricity, and that a person coming in contact with or in proximity to them would receive a charge of electricity sufficient to kill him, and is sufficient to show non-assumption of risk.

2. Same—Same—Inconsistent Findings.

On the trial, special findings that the deceased was killed, not by contact with an electric wire, but by bringing his body in proximity thereto, whereby an arc was formed, that the location of the wires and the fact that they were uninsulated were open and obvious, and that the deceased knew of the danger of contact with the wires, do not require the setting aside of the general verdict for the death of the deceased, since they do not show knowledge by him of the danger of receiving a charge of electricity if he came near the wires without touching them.

2. Same—Contributory Negligence—Burden of Proof—Instructions to Jury—Harmless Error.

On the trial, instruction to the jury that contributory negligence of the plaintiff is a defense, and that the burden is upon the employer to establish it by a fair preponderance of the evidence, is not erroneous, although it is better practice to instruct the jury that it is sufficient if the contributory negligence of the plaintiff appears by the preponderance of all the evidence, whether introduced by plaintiff or defendant.

4. Same—Instructions to Jury—Assumption of Risk—Harmful Error.

On the trial, where the special findings showed that the deceased understood certain of the perils of the employment, and there was some evidence that he had knowledge of other perils, and it did not affirmatively appear that he had no knowledge of the particular peril which caused his death, an instruction to the jury that "while the doctrine of the assumption of risk is by the law read into every contract between master and servant, the servant does not assume any risk arising out of the negligence of the master, nor does he assume any risk the perils of which he does not understand and appreciate," was erroneous.

5. Same—Same—Hypothetical Questions as Basis of Verdict.

On the trial, where there was a controversy as to whether a bridge painter was killed by an electric shock or by a fall from the bridge, an instruction to the jury directing verdict for the plaintiff if certain hypothetical facts were found, but which did not include a finding that the negligence charged was the proximate cause of the death, was erroneous.

6. Same—Same—Assumption of Risk.

On the trial, an instruction to the jury which based the assumption of non-assumption of risk upon the servant's comparative duty to discover and know the conditions surrounding his work, and which excluded what he may have actually known, was erroneous.

Judgment for plaintiff in Circuit Court, Tippecanoe County, here reversed and remanded in Appellate Court of Indiana, Division No. 2.

TERRE HAUTE, I. & E. TRACTION COMPANY VS. YOUNG,
104 Northeastern, 780. (April 3, 1914.)

Iowa.

1. Injury from Runway—Safe Place and Appliances—Test of Liability for Injuries.

Where a mason's helper was injured by a fall from a runway, over which he was wheeling building materials in a wheelbarrow, on the roof of a building in course of construction, the runway constructed of inclined planks, the end of one of which was not supported and evenly connected with another, was a place or appliance which the employer was bound to make reasonably safe for such purpose, the test of liability being whether it was a structure or appliance furnished by the employer, or was incident to or so inherent in the work itself as to relieve the employer of the duty and place upon the employees whatever consequences might result from its negligent construction.

2. Same—Vice Principal—Liability of Employer.

Where a boss carpenter constructed a plank runway under the general direction of the superintendent of the employer, the general contractor, for the use of one who had no duty as to its construction or control, he was a vice principal, for whose negligence the employer would be liable as for his own.

3. Same—Instructions to Jury—Province of Jury.

Instruction by the trial court that the jury should determine whether it was the employer's duty to furnish and provide the runway, and, if so, that the rule as to a safe place would govern, was not erroneous as submitting a question of law to the jury.

4. Same—Same—Contributory Negligence—Question for Jury.

Where the plaintiff testified that he could see a sudden drop of several inches in a model of the runway, it was not conclusive that he could see it while pushing a wheelbarrow containing building materials on the roof of a building in the course of construction, but that was a question for the jury.

5. Same—Assumption of Risk—Question for Jury.

In view of the evidence offered on the trial of the action, the question of assumption of risk by the injured mason's helper was for the jury.

6. Same—Assumption of Risk—Instructions to Jury.

Instruction to the jury that, if plaintiff could in the exercise of reasonable care have seen and appreciated the dangerous condition at the end of the plank, and such danger was imminent, he assumed the risk of injury, was not erroneous in the use of the word imminent.

Judgment for plaintiff in the District Court, Polk County, here affirmed in Supreme Court of Iowa.

HARTSHORN VS. J. C. MARDIS CO.,
146 Northwestern, 70. (March 24, 1914.)

Digitized by Google

Massachusetts.

1. Injury from Lead Poisoning—Workmen's Compensation Act—Statutes of Massachusetts—"Personal Injury."

Under the workmen's compensation act of Massachusetts (Stat. 1911, Chap. 751; as amended by Stat. 1912, Chap. 571), "personal injury" is not limited to injuries caused by external violence, physical force, or as the result of accident in the sense in which that word is commonly used and understood, but under the statute is to be given a broader and more liberal meaning, and includes any bodily injury, and any injury or disease which arises out of and in the course of the employment, which causes incapacity for work and thereby impairs the ability of the employee for earning wages, and therefore includes total incapacity due to the results of lead poisoning.

2. Same—Same—Same—Date of Injury.

Where it appeared that the injured employee was seventy-two years of age, that for twenty years he had been continuously employed as a lead grinder prior to March 13, 1913, the date since which he had been totally incapacitated, due to the results of lead poisoning, that he had suffered from lead poisoning fourteen years prior to said date, but had apparently recovered, and that he had had no recurrence of the disease until March 13, 1913, he received a personal injury within the act only when the accumulated effect thereof manifested itself, and he became sick therefrom and totally incapacitated for work.

3. Same—Same—"Course of Employment."

The personal injury of a workman, employed for over twenty years as a lead grinder, being the total incapacity for work resulting from the accumulated effect of gradual absorption of lead into his system, arises "out of and in the course of his employment," within the act.

Decree of Superior Court, Suffolk County, here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

JOHNSON VS. LONDON GUARANTEE & ACCIDENT CO., LD.,
104 Northeastern, 735. (April 4, 1914.)

1. Injury to Truck Driver—Workmen's Compensation Act—Statutes of Massachusetts—Appeal and Error.

Under the workmen's compensation act of Massachusetts (Stat. 1911, Chap. 751), questions of law arising upon proceedings for compensation can be brought up only by appeal.

2. Same—Same—Release.

Under the act providing that, where the injury for which the compensation is payable was caused by circumstances creating a liability in some person other than the subscriber, the employee may, at his option, proceed either at law against that person for damages or against the association for compensation, but not against both, and if the compensation be paid, the association may enforce for its own benefit the liability of such third person, where a workman insured under the act was injured while in the course of his employment and about his employer's business driving a truck in the public streets by a collision with a street car, he loses his right to recover under the act by accepting a settlement offered by the street car company and an action at law to recover damages from the third person is not necessary to make the acceptance of such damages a waiver of the statute.

3. Same—Same—Same—Effect of Release.

Under the act providing that, if death results from an injury, the association shall pay the dependents of the deceased employee a weekly payment equal to one-half of his average weekly wages for a period of 300 weeks from the date of the injury, and that a wife shall be conclusively presumed to be wholly dependent for support upon the deceased employee, and that the weekly payment may be redeemed by the payment of a lump sum according to the agreement of the parties, notwithstanding the provisions of the act relating to the apportionment of the compensation payable upon the death of an employee injured under circumstances rendering a third person liable, an employee cannot, by his own settlement with the third person, release his wife's rights to compensation under the act on account of his death, for that right is for her benefit and not for the benefit of the employee.

4. Same—Same—Same—Compensation.

Under the act providing that, upon the death of an employee his dependents shall be entitled to a weekly payment equal to one-half of his average weekly wages for a period of 300 weeks from the date of the injury, there can be no deductions for the time during which the employee worked after the date of his injury and before his death.

Decree of Superior Court, Suffolk County, here affirmed in the Supreme Judicial Court of Massachusetts. Suffolk.

IN RE CRIPP,
IN RE ÆTNA LIFE INS. CO.,
104 Northeastern, 565. (February 17, 1914.)

1. Death of Workman—Workmen's Compensation Act—Statutes of Massachusetts—Appeal and Error.

Under the workmen's compensation act of Massachusetts (Stat. 1911, Chap. 751), where no rule of law was involved in a finding of the Industrial Accident Board, the insurer, appealing therefrom, properly waived that part of its brief contending that such finding was not warranted.

2. Same—Same—Division of Damages.

Under the workmen's compensation act of Massachusetts providing that children under the age of eighteen years living with their parent, a deceased employee, at the time of his death, are conclusively presumed to be wholly dependent for support upon a deceased parent, and that the amount to be paid by the insurer is the same whether there are one or more children, the insurer, after a decree that the sum allowed under the act be paid the administrator of the deceased employee and by him divided between the guardian of a surviving minor child and himself as administrator of a deceased minor child from which the defendants did not appeal, could not by appeal litigate the proportion of the division of a payment among those claiming to be dependents upon the deceased employee.

Decree of Superior Court, Suffolk County, here affirmed in Supreme Judicial Court of Massachusetts. Suffolk.

IN RE JONES,
104 Northeastern, 556. (February 28, 1914.)

Michigan.

1. Injury from Electric Current—Death of Lineman—Negligence of Owner—Liability for Injuries.

Where an electric railroad company strung three high-tension uninsulated wires for the operation of an electric railroad but 15 to 18 inches above certain telephone wires, which had been erected for many years, and a telephone lineman, in repairing the telephone lines, came in contact therewith and received fatal injuries, there was sufficient evidence to sustain a finding of negligence on the part of the owner and user of the wires.

2. Same—Same—Contributory Negligence.

Whether a telephone lineman was negligent in coming in contact with the high-tension wires was a question for the jury.

3. Same—Presumption of Due Care.

Where there was no eyewitness to the injury, the court properly instructed the jury that, in the absence of evidence to the contrary, there was a presumption that the decedent was in the exercise of ordinary care at the time of the accident.

4. Same—Assumption of Risk.

Where there was no contract relation existing between the lineman and the owner of the railroad wires, the lineman did not assume the risk of injuries from contact with such high-tension wires while he was working on the repair of telephone lines.

Judgment for plaintiff in Circuit Court, Mecosta County, here affirmed in the Supreme Court of Michigan.

TEACHOUT VS. GRAND RAPIDS, GRAND HAVEN & MUSKEGON RAILWAY CO., ET AL.,
146 Northwestern, 241. (March 27, 1914.)

1. Injury from Breaking Ladder—Contributory Negligence—Statutes of Michigan.

Where an employee was injured through falling into uncovered gearing when the ladder, on which he had ascended to fix a valve, broke, he was not guilty of contributory negligence, as a matter of law, barring a recovery, in using the ladder which had been broken and mended, having used it several times a day during the previous two months, or in not shutting off the power before ascending the ladder, the gearing being three feet from the ladder and there being evidence that, because of the frequency with which it had to be done, it was necessary to adjust the valve with the gearing in motion.

2. Same—Statutes of Michigan—Guarding Gearing.

Under the statutes of Michigan (Pub. Acts 1901, No. 113, as amended by Pub. Acts 1909, No. 285), requiring all gearing in factories to be provided with proper safeguards, the position of gearing nine feet above the floor is not an adequate safeguard, as a matter of law, where an employee is required several times a day to pass near it on a ladder in adjusting certain valves.

3. Same—Same—Proximate Cause.

Where a ladder broke, precipitating an employee into the gearing, left unguarded in violation of the statute, the breaking of the ladder, rather than the leaving of the gearing unguarded, was not the proximate cause of the injury.

4. Same—Excessive Verdict.

Where judgment for $10,000 was reversed unless the plaintiff remitted the sum of $6,500, and the plaintiff had an expectancy

Digitized by Google

of life of more than twelve years, and he had lost a portion of his right arm, unfitting him for all kinds of manual labor by which theretofore he had supported himself, and there was evidence of continued pain and suffering and humiliation from his mutilated condition, a recovery of $3,800 is not excessive.

Judgment for plaintiff in Circuit Court, Macomb County, here affirmed in Supreme Court of Michigan.

SMITH VS. MOUNT CLEMENS SUGAR COMPANY,
146 Northwestern, 263. (March 26, 1914.)

1. Injury to Employee Riding Bicycle in Power House—Duty of Employer—Liability for Injuries.

Where it was the practice of an employee to ride a bicycle through a passageway in the defendant's power room in leaving work, and while so riding the bicycle skidded when it struck an air hose laid across the passage way in the regular course of the work, throwing him into a sunken engine pit, the railing around which had been removed in the regular course of the work to remedy a defective condition, and the defendant knew of such practice of riding the bicycle through the passage way in its power room and did not forbid it or discharge him, the defendant did not owe the employee a duty of furnishing him a safe place for riding and was not liable for the injuries resulting in his death, since it did not dig a pitfall or dangerously or in any unusual manner obstruct the way traversed by him.

2. Same—Contributory Negligence—Liability for Injuries.

Where the railings around a sunken engine pit in a power room had been removed for at least two weeks and an air hose had been laid across an adjoining passage way for two or three days, an employee of ten years' standing, whose duties called him into practically all parts of the plant, and who on the two mornings immediately preceding had ridden over the air hose on his bicycle, was guilty of contributory negligence barring a recovery in attempting to ride through the passage way in leaving work, when the room was well lighted, and there could be no recovery for his death caused by the bicycle skidding when it struck the air hose, throwing him into the sunken engine pit.

Judgment for plaintiff in Circuit Court, Saginaw County, here reversed in Supreme Court of Michigan.

SCHWAGER VS. SAGINAW PLATE GLASS CO.,
146 Northwestern, 171. (March 26, 1914.)

1. Injury from Revolving Knives—Hazardous Employment—Statutes of Michigan.

While plaintiff, a boy of seventeen years of age, was engaged in removing boards about 30 inches in length from a tenoner, equipped with revolving knives, and required to stand in a space something more than 3 feet wide between rapidly revolving belts, he was caught in the revolving knives and part of his hand was amputated. Whether he was engaged in a hazardous employment prohibited by the statute of Michigan (Pub. Acts 1911, No. 220, Sec. 11) was a question for the jury.

2. Same—Guarding Machinery—Instructions to Jury.

Where the plaintiff did not rely for recovery upon a failure to further guard the revolving knives, an instruction to the jury as to the duty of the employer to guard these revolving knives was properly refused by the trial court.

3. Same—Same—Contributory Negligence.

On the trial of the action, brought on the ground that the plaintiff was unlawfully engaged in a hazardous employment prohibited by the statute, all the existing conditions were to be considered in determining whether his employment was hazardous, and the questions of negligence and contributory negligence were for the jury.

4. Same—Instructions to the Jury—Recovery by Plaintiff.

Where the court instructed the jury on the meaning of the statute on contributory negligence and the burden of proof, instructions that the defendant claimed that it furnished plaintiff with a safe place to work, that the surroundings were not hazardous, but that the injury resulted from the plaintiff's gross carelessness, were not objectionable as requiring the jury, before finding for the defendant, to find that there was absolutely no chance of injury, and that plaintiff might recover unless he was grossly careless.

Judgment for plaintiff in Circuit Court, Saginaw County, here affirmed in Supreme Court of Michigan.

RADIX VS. THOMAS JACKSON & COMPANY, LD.,
146 Northwestern, 136. (March 26, 1914.)

Missouri.

1. Employers' Liability Insurance—Action on Policy—Statutes of Missouri—Construction of Contract.

Where the policy of employers' liability insurance contained a provision that: "This policy does not cover loss arising from injuries or death * * * as suffered by or caused by any child employed by the assured contrary to law or any child employed under fourteen years of age where no statute restricts the age of employment," and where the statute of Missouri (Sec. 1719, R. S. 1909) makes it unlawful for a manufacturing company to employ "a child under sixteen years of age and over fourteen years of age" without a certain age certificate, obtained as pointed out by the statute, and posted as directed, and other statutes speak of "a child under the age of sixteen years," a child between the age of fifteen and sixteen years of age comes within the exemption of the policy and the insurance company is not liable to the plaintiff for damages recovered by the child for injuries sustained while at work for the plaintiff.

2. Same—Construction of Contract.

Where the contract, as here, concerns a matter of statute law, and refers to such statute, such law enters into the contract.

Judgment for defendant in Circuit Court, Jackson County here affirmed in the Kansas City Court of Appeals, Missouri.

LOUIS F. KLEEMAN CO. VS. NEW AMSTERDAM CASUALTY CO.,
164 Southwestern, 167. (March 2, 1914.)

Nebraska.

1. Injury from Boiling Glue—Direction of Verdict—Sufficiency of Evidence.

While a driver in the employ of defendant was leaving a tank-room, in the center of which was a platform 16 feet by 90 feet, and on either side were ten vats of boiling glue, after delivering a wagon load of materials to one of the vats, he became confused in the dense steam as to the lights and fell into a vat and sustained injuries from which he died. Where the evidence is insufficient to sustain a judgment for the plaintiff, the trial court should direct a verdict for the defendant.

2. Same—Same—Assumption of Risk—Statutes of Nebraska.

In actions not governed by the employers' liability act of Nebraska (Laws 1913, Chap. 198), "an employee assumes the risks arising from the unsafe condition of premises where his labor, or a portion of it, is to be performed, when the risks and conditions are known to him, or are apparent and obvious to persons of his experience and understanding, if he voluntarily enters into the employment, or, after commencing, makes no complaint or objection in respect to the hazards."

Judgment of dismissal in District Court, Douglas County, here affirmed in the Supreme Court of Nebraska.

JOSEPH VS. CUDAHY PACKING CO.,
145 Northwestern, 987. (February 27, 1914.)

New Jersey.

1. Injury to Arm—Workmen's Compensation Act—Statutes of New Jersey—Amount of Award.

Under the workmen's compensation act of New Jersey (P. L. 1911, 134), where the trial judge found that the petitioner sustained a compound fracture of the right arm at the elbow, and that, owing to a bony growth caused by the fracture, he was permanently unable to bend his arm at the elbow more than 90 degrees, and thereupon awarded compensation at the rate of $5 per week for a period of 200 weeks, such award was improper. An award for a partial injury to the motion of the arm, of the same compensation as the statute fixes for the loss of the arm, is not in compliance with the statutory mandate that the compensation shall bear such relation to the amounts stated in the schedule as the disabilities bear to those produced by the injuries named in the schedule.

Judgment for petition, Court of Common Pleas, Hudson County, here reversed and remanded in the Supreme Court of New Jersey.

BARBOUR FLAX SPINNING CO. VS. HAGERTY,
89 Atlantic, 919. (February 25, 1914.)

1. Injury to Iron Worker—Workmen's Compensation Act—Statutes of New Jersey—Casual Employment.

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 134), where the petitioner was employed for an indefinite period at $5 per day to work on a contract for the erection of a structural steel building, it was not a casual employment.

2. Same—Same—Course of Employment.

Where the petitioner with two others was pulling on a hand chain connected with a block operating a mechanism which caused a lifting chain to pass through the block and lift a steel girder, and the lifting chain became clogged, and, being forced through, split the block, and struck and injured the petitioner,

Digitized by Google

the injury was due to an accident arising out of and in the course of his employment.

3. Same—Same—Risks of Employment.

The disobedience by fellow-workmen of orders is as much one of the risks of a man's employment as a defect in the mechanical appliances.

4. Same—Same—Conclusiveness of Decision.

Where employer and employee assent to the provisions thereof, they assent to the whole scheme of the act, a part of which is that the decision of the trial judge as to all questions of fact shall be conclusive and binding, and on appeal the court will not review the decision of the trial judge as to the duration of disability where there is evidence to sustain it.

5. Same—Same—"Employment."

The word "employment" refers to the contract rather than to the labor done in pursuance thereof, and hence the disobedience of a specific order to stop work does not end the employment for the time being, nor does a man cease to be an employee because at certain instants he is not actually engaged in work.

Judgment for petition in the Court of Common Pleas, Essex County, here affirmed in the Supreme Court of New Jersey.

SCOTT vs. PAYNE BROTHERS, INC.,
89 Atlantic, 927. (February 25, 1914.)

---

1. Injury from Automobile—Workmen's Compensation Act—Statutes of New Jersey—Disobedience of Orders.

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 142), where a deceased workman took an automobile, which was in use by his employer for the purpose of distributing their newspaper, and he had been ordered not to use the automobile just before he took it out, the representative of the deceased workman could not recover compensation for his death.

2. Same—Same—Burden of Proof.

The burden of proving that death of the workman was caused by an accident arising out of and in the course of his employment is upon the petitioner, and, where the physician in attendance refuses to state that death was caused by the accident, there is no basis for an inference to that effect by the court.

Judgment for petitioner in the Court of Common Pleas, Hudson County, here reversed and remanded in the Supreme Court of New Jersey.

REIMERS vs. PROCTOR PUBLISHING CO.,
89 Atlantic, 931. (February 25, 1914.)

---

1. Injury from Acids—Workmen's Compensation Act—Statutes of New Jersey—Injury by Accident.

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 134), where no specific time or occasion can be fixed upon as the time when an alleged accident happened, there is no "injury by accident" within the meaning of the act, providing for compensation for personal injuries to an employee by accident arising out of and in the course of his employment.

2. Same—Same—Same—Same.

Where after ten days' service in the bleachery of the defendant the petitioner was affected with a rash, which was pronounced to be a condition of eczema that might be caused by acids, the trial judge found that the petitioner's condition was caused by contact with the dampened goods, but the petitioner was not injured by accident within the meaning of the act.

Judgment for petitioner, Court of Common Pleas, Morris County, here reversed in the Supreme Court of New Jersey.

LIONDALE BLEACH, DYE & PAINT WORKS vs. RIKER,
89 Atlantic, 929. (February 25, 1914.)

---

1. Injury to Chauffeur—Workmen's Compensation Act—Statutes of New Jersey—Course of Employment.

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 136), where a chauffeur's arm was broken while he was in the defendant's employ, and while he was treated at a hospital the pracure properly united, but there developed an abscess upon the fleshy part of the thumb which resulted in ankylosis of the thumb, making it permanently useless, the permanent injury of the thumb was an injury caused by an accident arising out of and in the course of his employment.

Judgment for petition in the Court of Common Pleas, Cumberland County, here affirmed in the Supreme Court of New Jersey.

NEWCOMB vs. ALBERTSON,
89 Atlantic, 928. (February 25, 1914.)

---

1. Injuries not Specified in Schedules—Workmen's Compensation Act—Statutes of New Jersey—Total Disability.

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 134), providing that allowances for injuries shall be in proportion to the allowance of 400 weeks' pay for total disability, it is improper to allow 340 weeks' pay for injuries consisting of a fracture of the skull, paralysis of the right side of the mouth, and injuries to the nostril, eye, and ear, together with impairment of the use of the right arm, for such injuries do not approach total disability, as the loss of both hands, feet, or eyes.

Judgment for petitioner here reversed in the Supreme Court of New Jersey.

O'CONNELL vs. SIMMS MAGNETO CO.,
89 Atlantic, 922. (November 25, 1913.)

---

1. Injury to Skin Shaver—Workmen's Compensation Act—Statutes of New Jersey—"Casual Employment."

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 134), where a workman employed to shave skins testified that the employer told him to come to work on a certain morning and he would give him some work at so much a dozen and, if he did better work, a higher price per dozen, the trial judge might properly find that the intent was to give the workman employment at piece work in the defendant's regular business without limit as to time and "such employment was not casual."

2. Same—Same—Computation of Compensation.

Where at the time of the injury the workman had worked only part of one day for the employer and was to be paid by the piece, and had earned $1.60 up to 11 o'clock, the trial court might properly find that he was earning at the rate of $4 per day.

Judgment for petitioner, Court of Common Pleas, Essex County, here affirmed in the Supreme Court of New Jersey.

SCHAEFFER vs. DE GROTTOLA,
89 Atlantic, 921. (February 25, 1914.)

---

1. Loss of Finger—Workmen's Compensation Act—Statutes of New Jersey.

Under the workmen's compensation act of New Jersey (P. L. 1911, p. 137), provided that for partial disability permanent in quality the compensation shall be based upon the extent of such disability, and in cases included in the schedule stated the compensation shall be that named therein, where the schedule provides that the loss of a first phalange of any finger shall be considered to be equal to the loss of one-half of the finger, compensation shall be one-half the amount specified for the loss of the finger, on loss of the first phalange of the index finger, the case should be treated as one in which payments were to be made in the future to be computed in the court's discretion if it thought that was in the interest of justice.

Judgment for petitioner in the Court of Common Pleas, Essex County, reversed in Supreme Court of New Jersey, motion for rehearing denied.

JAMES R. BANISTER CO. vs. KRIGER,
89 Atlantic, 923.

New York.

1. Employers' Liability Insurance—Expenditures by Insured Liability of Insurance Company.

Where the insurance company, whose policy of employers' liability insurance gave it the option of defending any suit, settling it at its own cost, or paying the insured the stipulated indemnity, and provided that the insured could not settle any claim except at its own cost, or incur any expense without the consent of the insurance company, refused an offer from an injured employee of the insured to settle the claim for $1,500, the amount of the policy, and elected to defend the action, which resulted in a judgment for over $6,000, and subsequently refused to appeal, but offered to pay insured $1,500 upon his satisfaction of the judgment, and thereupon the insured appealed and secured a reversal of the judgment and dismissal of the action, the insurance company, by electing to defend the action and denying insured the right to settle on his own account or to assume charge of the litigation, and by refusing to appeal or to pay the stipulated indemnity except upon satisfaction of the judgment, violated the obligation of good faith which underlies all contracts and was liable for the expenses incurred by insured in prosecuting the appeal from the judgment.

Judgment of the Appellate Division, First Department, Supreme Court, affirming judgment for plaintiff in Supreme Court, New York County, here affirmed in the Court of Appeals, New York.

BRASSIL vs. MARYLAND CASUALTY COMPANY,
104 Northeastern, 622.
210 New York, 235. (February 24, 1914.)

Digitized by Google

North Carolina.

1. Injury from Lathing Machine—Wrongful Death of Minor—Duty of Employer—"Ordinary Care."

On the trial of action for damages for the wrongful death of a boy of fourteen years of age, who was killed while operating a lathing machine, it appeared that the machine had two circular saws, which revolved toward the operator and was covered by a hood to prevent sawdust and pieces of timber from being thrown back toward the operator; that there was an iron spring curving toward the saw to hold the pieces of wood to the guide or side boxing as they were moved onto the saws; that this iron spring was so narrow that it allowed pieces of wood to be thrown out with great violence, threatening the operator and making dents in the wall 20 feet distant, and that this condition had existed for a good length of time; and that the intestate was struck by a piece of wood thrown back in this manner and killed. An employer of labor, in the exercise of ordinary care, that care that a prudent man should use under like circumstances and charged with a like duty, must provide for his employees a reasonably safe place to do their work and supply them with machinery, implements and appliances reasonably safe and suitable for the work in which they are engaged, and as such are known, approved, and in general use.

2. Same—Same—Same—Duty of Employer.

An employer is not protected, as a conclusion of law, because he is operating a machine which is "known, approved, and in general use," but, although such a machine or appliance may have been procured, if its practical operation should disclose that employees are thereby subjected not to the ordinary risks and dangers incident to their employment, but to obvious and unnecessary dangers which could be readily removed without destroying or seriously injuring the efficiency of the implement, such conditions, if known or if allowed to continue, might permit the inference of culpable negligence against the employer.

3. Same—Same—Same—Due Care.

Where the only inference that can reasonably be drawn from the evidence is that the master conformed to the general usage of the average member of his profession or trade in respect to the adoption or retention of the instrumentality in question, he may be declared, as a matter of law, to have exercised due care.

4. Same—Same—Same—Known and Approved Appliances.

In an action for the death of plaintiff's intestate, while operating a lathing machine "known, approved and in general use," but which in practical operation often threw blocks or pieces of wood back toward the operator with great force, as could have been known to the master, and which could have been easily remedied, the evidence was sufficient to sustain a verdict for the plaintiff.

Judgment for plaintiff in Superior Court, Beaufort County, here affirmed in the Supreme Court of North Carolina.

AINSLEY vs. JOHN L. ROPER LUMBER CO.,
81 Southeastern, 4. (March 11, 1914.)

Pennsylvania.

1. Injury to Iron Worker—Contributory Negligence—Question for Jury.

Where plaintiff was injured by falling from a steel girder, upon which he was walking under orders from defendant's foreman, which fall was due to the failure of defendant, after notice to repair a drum, which permitted grease to fall upon the girder, to remove the grease as he had promised, the questions of negligence and contributory negligence were for the jury.

2. Same—Same—Foreman as Vice Principal—Notice of Defects.

A foreman of a steel company—who gives all orders to persons employed about cranes and who has full charge of such persons and the machinery, and whose acts in employing and discharging men always received the approval of the superintendent—is a vice principal to the extent that he is the proper person to be notified of defects in the cranes and appliances connected therewith.

3. Same—Same—Assumption of Risk.

It was not an assumption of risk to continue work in and about defective machinery, made dangerous by an accumulation of grease, where the foreman on being notified of the conditions, told the workman to continue his work and stated that the condition would be remedied in a few days.

Judgment for plaintiff, Court of Common Pleas, Allegheny County, here affirmed in the Supreme Court of Pennsylvania.

PFEIFER vs. ALLEGHENY STEEL CO.,
90 Atlantic, 152. (January 5, 1914.)

1. Injury to Miner—Negligence of Foreman—Liability of Mine Owner—Statutes of Pennsylvania.

Under the statutes of Pennsylvania (P. L. 1893, p. 52), where a miner is injured from the roof of the mine being insufficiently supported by posts, due alone to the failure of the mine foreman to see that posts were provided as required by statute, the mine owner is not liable for the damages caused by said injury.

2. Same—Same—Same.

Under such statute, where the mine owner has knowledge, through his superintendent or otherwise, that the mine foreman has failed to send to the proper places prop timbers as required by statute, and he fails to remedy the situation, he may be held liable for consequential injuries to a miner.

3. Same—Same—Sufficiency of Evidence.

On the trial the evidence was insufficient to show that the mine owner's superintendent had knowledge that the mine foreman had failed to provide prop timbers to support the roof, as required by statute, or that an emergency existed which required immediate delivery of the timbers.

4. Same—Same—Assumption of Risk.

Where a miner goes to work with full knowledge and appreciation of the danger of his position from the failure of the mine foreman to provide prop timbers to support the roof, as required by statute, and not in reliance upon the judgment of the mine superintendent or his promise to provide the timbers, he assumes the risk of injury from the falling of the roof.

Judgment of non-suit in the Court of Common Pleas, Allegheny County, here affirmed in the Supreme Court of Pennsylvania.

PETERS vs. VESTA COAL CO.,
90 Atlantic, 65. (January 5, 1914.)

1. Injury to Riveter—Statutes of Pennsylvania—Negligent Order—Liability of Master.

Under the statutes of Pennsylvania (P. L. 1907, p. 523), providing that, where an act is done in obedience to orders given by any person who has authority from the master to direct the doing of the act, the master shall be liable for injury resulting to an employee therefrom, where a riveter was injured while employed on structural iron work from being struck by a girder, he was entitled to recover against the employer therefor, regardless of whether the negligent order to hoist the girder was given by the general foreman or by the labor foreman, where both had authority to direct the craneman in moving the girders.

2. Same—Contributory Negligence—Question for Jury.

On the action for damages, where the evidence was conflicting, the question whether the riveter was guilty of contributory negligence in not seeking a place of safety before the girder was moved was for the jury.

3. Same—Same—Same—Recovery Barred.

Where the riveter was warned of the approach of a crane used for hoisting girders and failed to seek a place of safety before the girder was moved, he was guilty of contributory negligence, barring recovery for resulting injuries.

Judgment for plaintiff, Court of Common Pleas, Allegheny County, here affirmed in the Supreme Court of Pennsylvania.

REESE vs. JONES & LAUGHLIN STEEL CO.,
90 Atlantic, 63. (January 5, 1914.)

South Carolina.

1. Injury to Night Watchman—Question for Jury.

Where there is any testimony from which negligence may be inferred, the issue is for the jury, but, if no such inference can be drawn from the testimony, the issue ought not to go to the jury.

2. Same—Contributory Negligence—Length of Service.

Where the plaintiff was a night watchman, and had been in the employ of the defendant for twenty years, that long service was a potent circumstance in the plaintiff's favor, tending to show that he was a faithful and a careful man.

3. Same—Safe Place to Work.

Where the plaintiff, a night watchman, was required to go around the plant and ascertain whether there were any hot journals or anything of that kind, he was entitled to have a reasonably safe floor upon which to accomplish his ten rounds in the night time, and the jury having found that the floor was not reasonably safe, there is no reason to conclude otherwise.

Judgment for plaintiff in Common Pleas Circuit Court, Charleston County, here affirmed in the Supreme Court of South Carolina.

BIZE vs. VIRGINIA-CAROLINA CHEMICAL COMPANY.
81 Southeastern, 10. (March 16, 1914.)

Digitized by Google

(*Continued from page 428*)

counted the banking feature through the transaction with the life department. Then again an opportunity would be afforded to possibly classify the purchase of annuity from the life department as reinsurance transactions, thereby giving an apparent lower loss experience than actually existed. This feature might be valuable to a company should it desire to seek permission for lower rates for purposes of competition.

The latest issue of the *Agents' Record* of the National Casualty discusses **damaged goods** in the pithy style characteristic of the publication. It says:

"Damaged Goods." The company is besieged every day with demand or entreaty that we accept damaged risks as perfectly sound, and at the same rate as good business. It seems that the vest-pocket argument stands pre-eminent with the agent, and in spite of all instructions and admonitions, he will take a chance on putting through a risk that isn't up to standard. Every plea, artifice and argument is used. The money of the applicant is in his pocket, and therefore his conscience has taken a hypo and his good morals are looking the other way. His mental comment is, "I'll put it through if I can," and the agent who will try that isn't very particular about concise answers to all questions. He frequently helps the applicant to fill out the application, and he states indefinitely some fact, or else omits it altogether. The day of reckoning with him isn't considered. It's a case of commissions now, and explanations later—if necessary. Hernia is one oversight. He can't see it, so why ask about it? One-eyed men are approached from the good side. One-armed and one-legged men must stand sideways. Men with stiff knees, club feet and hip troubles, must stand still so that the deformity will not be noticed. Over-weight and under-weight must use friendly scales. Consumptives and those with chronic diseases are guessed, but not questioned. Bad claims records with other companies are conveniently forgotten. In fact, the damaged goods are played up to the company just as the bargain sale stuff is handed to the public. The difference is that the risk suffers, because he becomes a party to the deception, and the law holds him to his representations. It is safe to estimate that more than twenty-five per cent. of the troubles of the claims department can be traced to this source.

We don't want damaged goods. For your own future, and the good of the company, if you can't write good business, don't write any.

Credit is given the management of the **American Assurance of Philadelphia** for effective action in improving its affairs, according to an examination by the Pennsylvania department as of April 22. The impairment shown in the report of March 5 has been removed, the company's capital stock reduced from $350,000 to $300,000, giving it a sufficient surplus, and President R. R. Koch has voluntarily relinquished $4,000 of his salary annually. Vice President W. S. Kendrick has declined to accept any salary from the company after May 25, and savings amounting to at least $15,000 a year have been made. Notes of the American Corporation, securing non-admitted assets of $23,427, have been taken up and the company has now received credit for that amount. The American Assurance has withdrawn from Maryland, West Virginia and Delaware. Securities of doubtful value have been taken off the company's hands by the American Corporation, and while not admitted as assets, are secured by notes of the American Corporation, which will eventually be paid out of the proportion of premiums accruing to the latter. Title pages covering mortgages not shown at the last examination are now satisfactory. The total admitted assets of the company are now $435,793. President Reinhold R. Koch is to be congratulated upon the prompt and satisfactory changes which the department's report brings out.

An important decision establishing the doctrine that where a contractor on a Federal contract defaults, claims for materials will not be included in the liability of the company writing the contract bond unless the claim is made in accordance with the Federal statute covering such matters. The decision was by the New York Court of Appeals in the case of H. B. Smith vs. John F. Yawger as receiver for the late Metropolitan Surety. The prevailing opinion was written by Judge Collin, saying in part:

The claimant should have conformed with the provisions of the statute and obtained in the statutory action and presented to the receiver a judgment establishing the validity and amount of his claim. His claim as presented was conditional and not absolute and its allowance was an error.

The comptroller of the Currency has approved applications to organize the following **new national banks:** The State National Bank of Durant, Okla., capital $50,000, to succeed the Guaranteed State Bank of Durant; the American National Bank of Dustin, Okla., capital $25,000, to succeed the Oklahoma State Bank of Dustin; the Citizens' National Bank of Bedford, Va., capital $50,000. The Comptroller has approved applications to convert the Bank of Forrest City, Ark., into the First National Bank of Forrest City, capital $50,000, and the Auburn State Bank, Auburn, Wash., into the First National Bank of Auburn, capital $25,000.

At the annual meeting of the **Plate Glass Service and Information Bureau** this week a committee consisting of the New Jersey Fidelity and Plate Glass, the Royal Indemnity and the Ocean, with the chairman as an ex-officio member, was named to draft a uniform standard policy. The resignation of the Preferred Accident was accepted. The following officers were elected: Chairman, Nelson D. Sterling, of the Fidelity and Casualty; vice chairman, H. B. Clarke, of the Great Eastern; treasurer, E. B. Thistle, of the Globe Indemnity.

The members of the Independent Police Endowment Association are being **insured under a joint policy** issued by the Union Central Life and the Royal Indemnity, which affords a $500 benefit payable upon death or dismissal from the force, also a $5 weekly benefit in case of accident. The premium varies from $2 to $5.03 per month, according to the age of the insured. About 700 of the 1,200 members of the association have passed the required medical examination.

The new **workmen's compensation rates** ordered by Insurance Commissioner Collier in **Texas** became effective on Friday. Notice of withdrawal from the State has been given by the Massachusetts Bonding and Insurance company in addition to the Ætna Life, Fidelity and Casualty and the Royal Indemnity, which withdrew last week. The stock companies claim there is no possibility of profit in workmen's compensation business in Texas under the new rates.

A ruling has been made by Insurance Commissioner Darst of West Virginia on **policy fees,** as follows:

Health and accident policies may or may not provide for the collection of a policy fee. The company may provide for policy fees in one class of policies and not in another, but where a policy fee is required by the company to be collected, the agent must collect it in full. He is in violation of law if he rebates the whole or any part of it, whether such rebate be confined to one instance, or is the uniform practice of the agent.

Committees of **East Side** property owners and liability underwriters have been appointed to confer regarding the **tenement liability situation.** Manhattan has recently been rerated at a considerable increase, to which objection has been made at the complaint bureau of the New York insurance department. Some companies have withdrawn entirely from the East Side.

The **Industrial Mutual Liability Insurance Association** has been organized among members of the needle trades with the following officers: President, Eugene S. Benjamin; vice president, Morris Silberman; secretary, William R. Corwine; actuary, S. Herbert Wolfe. The association will take over workmen's compensation risks under the new New York law.

The date for the annual meeting of the **American Association of Accident Underwriters,** which had been tentatively set for September 9 to 11 at Niagara Falls, Ont., may be changed to

Digitized by Google

avoid conflict with the meeting of the Detroit Conference, according to a dispatch received from President Charles H. Boyer just before going to press.

One of the largest, if not the largest, administrator's bonds ever filed in New York county was put on record Thursday by the National Surety, covering the temporary administrators of the estate of the late Henry T. Cutter for $3,000,000. Six other surety companies were on the bond as co-surety.

It is practically settled that the **joint meeting** of the International Association of Casualty and Surety Underwriters and the National Association of Casualty and Surety Agents will be held at the Greenbriar Hotel in White Sulphur Springs, W. Va., during the week of September 21.

The **report** of the appointment of Professor F. Spencer Baldwin as manager of the New York State Fund for workmen's compensation has been **confirmed.** Mr. Baldwin will also serve as actuary for the New York Workmen's Compensation Commission.

It is announced by President R. R. Koch, of the **Detroit Conference,** that the annual meeting of that organization will be held at the Hotel Shelburne, Atlantic City, on September 9, 10 and 11. The programme for the meeting has not been completed.

The **National Surety** has promoted Vice President Leonard Dammann and has assigned him to duties assisting the president and the general manager. He is succeeded in the contract bond department by Vice President W. C. Armitage.

The regular May meeting of the **Plate Glass Underwriters' Association** was held on Friday at the offices of the Ætna Life, and the report of the special committee on the local rating situation was postponed until a later meeting.

The city of Willimantic, Conn., **will take no chances** under the workmen's compensation law, and the aldermen have adopted an ordinance authorizing the purchase of the necessary insurance policies.

Personal.

AGENCY APPOINTMENTS.

Maryland Casualty: The Pray Agency, general agents at Indianapolis for Central Indiana, in charge of Milton McGaw.

Southwestern Surety: C. V. Willoughby, inspector in the California department.

Mr. John J. Oliver, secretary of the Michigan State Life, formerly well known as an insurance journalist through his connection with *The Indicator,* of Detroit, committed suicide at his home in that city on Monday, May 4, following an attack of neuritis. The intense pain of this affliction, his friends believe, drove him temporarily insane. Mr. Oliver began in the insurance business as a life agent, and he was assistant secretary of the Imperial Life. He became receiver when the company retired, and held that position at the time of his death. "Jack" Oliver was a broad-minded, hearty, masterful fellow, whose good qualities endeared him to the wide circle of insurance men with whom he came in contact. His activities in the business were varied, and one of his specialties was a board of information regarding life insurance men operating in the State. At the time of the investigation of the industrial health and accident business by a special committee of insurance commissioners, Mr. Oliver acted as publicity agent for the committee, and sent out information broadcast to the daily papers concerning the investigation. At the time of his death he was fifty years old; his funeral took place on Wednesday, his fifty-first birthday. He was a thirty-second degree Mason, a Shriner, and a member of The Fellowcraft Club. A widow and daughter survive him.

Mr. Charles E. Wortham, Jr., State agent for the Connecticut Fire at Richmond, Va., and one of the veterans in that field, widely known through his long connection with the Springfield, and the Liverpool and London and Globe, died May 3 at Rome City, Ind., where he went two months ago for his health. Death was due to tuberculosis of the throat. His son, Charles E. Wortham, third, is a member of the Richmond insurance firm of Wortham & Munford.

Mr. W. W. Kinney, adjuster for the western department of the Fidelity Phœnix, and a son of A. F. Kinney, the veteran farm adjuster of that company, was struck by a train at Hammond, Ind., Tuesday of this week, and suffered the loss of one of his legs, dying later of his injuries.

Mr. Charles H. White, a well-known life insurance agent, fell nine stories to death in an elevator shaft at Kansas City, Mo., on May 11. Mr. White's foot caught as he attempted to enter the car. The operator lifted the car to release him and Mr. White fell under it.

Manager John H. Stoddart of the New York Underwriters Agency celebrated his fortieth anniversary with the company on Tuesday. His celebration is coincident with the fiftieth anniversary of the organization itself.

Mr. Melville E. Graham has been appointed metropolitan adjuster at New York for the United States Fidelity and Guaranty to succeed Charles E. Wharton, the veteran adjuster, who is retiring on account of ill health.

Mr. Ambrose T. Barnes, who has been assistant superintendent in the liability department of the Casualty Company of America, has resigned to accept a position with the United States office of the General Accident.

Mr. B. V. Hubbard of Chicago, who recently published an interesting study of casualty interinsurance exchanges, has another book in process which will be issued next week, dealing with fire insurance inter-exchanges.

Vice President Danford M. Baker of the Pacific Mutual Life is being talked of for president of the American Association of Accident Underwriters. The annual meeting will be held at Niagara Falls in September.

Mr. Charles E. Clarke, secretary of the Peninsular Casualty of Jacksonville, Fla., has been appointed delegate of the Southern Casualty and Surety Conference to the World's Insurance Congress.

Mr. Edgar Meagher has resigned as special agent for the County Fire in Ohio, Kentucky and Indiana, the special agents of the New Hampshire looking after the interests of both companies.

Mr. Glover S. Hastings, agency superintendent of the New England Mutual Life, who has been ill, is back at his desk again, but will leave for a recuperative trip in about two weeks.

Mr. Henry J. Hubble, who has been with the Louisville Board, has been appointed a special agent for the German American in Ohio. He is a son of the late John P. Hubble.

Mr. Warren B. Kennedy of the New York office of the Royal Indemnity has been promoted to take charge of the plate glass department at the Chicago office.

Secretary Sidney Locke of the Hartford Fire, who was married recently to Miss Helen T. M. Evans of Cleveland, is spending the honeymoon in Cuba.

Mr. Ernest L. Maltby, formerly with the Imperial Fire at Denver, has been appointed a special agent for the German American in the Mountain field.

Mr. F. R. Bigelow, president of the St. Paul Fire and Marine, has been appointed one of the directors of the new regional bank at Minneapolis.

Mr. Frank R. Connor, executive special agent of the Equitable Accident of Boston, has resigned.

President Darwin P. Kingsley, of the New York Life, sails for Europe on Saturday.

Obituary.

Dr. H. Cabell Tabb.

Dr. H. Cabell Tabb, medical director emeritus of the Life Insurance Company of Virginia, died at his residence in Richmond on the night of May 7, after an illness of some months' duration.

He was medical director of the Life Insurance Company of Virginia for over twenty-six years, and at the last annual meeting was made medical director emeritus. In age and in number of years of continuous service he was one of the oldest medical directors in this country.

Dr. Tabb was one of the founders of the Association of Medical Directors of the United States and was its first president, to which office he was consecutively re-elected for several terms, until he declined re-election, and up to several years past he took a very active part in its proceedings, not missing an annual meeting or a committee meeting until his failing health precluded the long journeys.

Dr. Tabb served as surgeon in the Civil War, and was surgeon of Pegram Battalion, Association of Confederate Veterans. He was a prominent member of the Seventh Street Christian Church of Richmond, and one of its officers for many years. He had also served as president of the Alumni Association of the Medical College of Virginia.

Dr. Tabb is survived by his widow, son, T. Garnett Tabb, and daughter, Miss Hester Cabell Tabb.

Digitized by Google

NEW YORK CITY FIRE LOSS DECLINING.

Remarkable Compilation by Fire Chief Kenlon, Showing That 1914 Rate is Below National Average—Building Statistics.

The most complete statistics of a year's fire record ever compiled for New York City have just been promulgated by Chief John Kenlon of the New York fire department. Of special value is the table showing the building statistics of the city. These have never before been gathered and have cost the department much time and trouble to ascertain. The fire loss of last year shows a decrease of over $4,000,000 from 1912. The losses in 1913 were $7,467,997, and in 1912, $11,589,339, or per capita $1.36 in 1913 and $2.24 in 1912. Figures compiled by the National Board of Fire Underwriters give the fire loss of the United States in 1913 as $2.10, so that New York is considerably below the general average. The efficiency of the New York fire department is shown by the fact that eighty-five per cent. of the fires were confined to the place where they originated. The statistics are as follows:

STATISTICS OF FIRES AND OPERATIONS OF FIRE DEPARTMENT—1913.

Number of alarms	14,737	
False and unnecessary alarms	1,778	
		12,959
Number of fires in other than buildings	1,700	
Number of fires in vessels	87	
		1,787
Fires confined to starting point		9,684
Fires confined to building		1,247
Fires extended to other buildings		241

Fires extinguished:		
without engine stream	7,874	
with one engine stream	3,244	
with two or three engine streams	690	
with exceeding three engine streams	157	
with one high-pressure stream	700	
with two or three high-pressure streams	195	
with exceeding three high-pressure streams	99	
		12,959
Fires extinguished by occupants or others (included in without engine stream)	331	

WATER STATEMENT.

Number of gallons of fresh water used	50,851,181
Number of gallons of salt water used	63,755,604
Total	114,606,785

FIRE LOSSES.

		Av'ge loss
Manhattan, Bronx and Richmond	$4,782,007	$570.41
Brooklyn and Queens	2,685,990	578.87
Total	$7,467,997	
Total fire losses in 1912	11,589,339	

BUILDING STATISTICS BY BOROUGHS.

	Manhattan	Bronx	Richmond	Brooklyn	Queens	Totals
One-family frame or brick	25,212	13,549	14,219	62,080	35,663	150,723
Two-family frame or brick	2,681	8,154	1,519	49,505	13,336	75,195
Tenement	39,421	9,617	634	45,956	4,876	100,504
Hotels and elevator apartments	2,155	70	82	209	231	2,747
Warehouses	7,964	142	85	1,551	40	9,782
Office buildings	813	69	47	145	95	1,169
Stables and garages	2,168	1,041	1,876	4,613	4,585	14,283
Factories	1,428	250	627	2,364	621	5,290
Theaters	128	12	3	68	18	229
Special structures, moving pictures, taxpayers, stores, etc.	2,879	2,259	1,028	5,889	3,060	15,115
Totals	84,849	35,163	20,120	172,380	62,525	375,037

RESUME—STATISTICS BY BOROUGHS.

	Manhattan	Bronx.	Richmond	Brooklyn	Queens	Totals
Assessed valuation	$5,149,250,760	$658,632,013	$82,114,453	$1,671,175,930	$488,686,756	$8,049,859,912
Acres	14,038	26,017	36,600	38,977	82,883	198,515
Square miles	21.93	40.65	57.19	60.93	129.50	310.20
Population	2,513,060	612,294	97,515	1,880,713	373,414	5,476,996
Alarms	7,647	1,401	430	4,401	858	14,737
False alarms	997	147	15	515	104	1,778
Number of fires	6,650	1,254	415	3,886	754	12,959
In buildings	5,921	1,004	257	3,381	609	11,172
Other than buildings	729	250	158	505	145	1,787
Confined to starting point	5,847	980	237	3,281	595	10,940
Extended to adjoining buildings	74	24	20	100	14	232
Number of fires per 1,000 inhabitants	2.63	2.05	4.27	2.06	2.02	....

Number of fires per each 100 buildings	2.45
Number of fires per each 1,000 inhabitants	2.36
Percentage of fires confined to buildings of place of origin	85
Loss per inhabitant	$1.36
Loss per inhabitant, 1912	$2.24
Loss per inhabitant for entire United States, 1913	2.10
Assessed valuation (greater city)	$8,049,859,912
Exempt from taxation	1,873,895,253
Total	$9,923,755,165

Digitized by Google

Miscellany.

IMPORTANT CASUALTY CONSOLIDATION.

Merger of the United States Health and Accident Company with the Massachusetts Bonding and Insurance Company Announced.

The Massachusetts Bonding and Insurance company, of Boston, and the United States Health and Accident, of Saginaw, Mich., were amalgamated this week, arrangements being completed at the latter city on Wednesday between the officers of the companies, after careful and thorough consideration and formal approval by the Michigan insurance department. The stockholders of the United States Health and Accident voted unanimously on the consolidation at a meeting held Monday. The latter company was examined by S. H. Wolfe, of New York, for the Massachusetts Bonding and the figures verified upon which the stock was valued. The merger of one of the most vigorous and successful of the Western companies with a company of the strength and standing of the Massachusetts Bonding and the fact that the officers of the Michigan company become officers in the Massachusetts company, adding their ability and prestige to the proven worth of the New England contingent, makes the deal one of the best for all concerned that has been made in many a year.

This important step has been contemplated for some time. With an eye to this move, on April 2, 1914, the Massachusetts Bonding increased its capital stock one million dollars, making the total two millions. The new stock was offered to the shareholders at $150, par value $100, the premium giving a half million of additional surplus. The new issue was underwritten by a Boston banking syndicate headed by Kidder, Peabody & Co. The stockholders themselves, on a share-for-share basis, immediately subscribed for more than seventy-five per cent. of the new issue and the remainder is already oversubscribed. Fifty per cent. of the increase was paid in on May 8 and the remaining $750,000 will be paid in on June 24, which makes the Massachusetts one of the strongest casualty companies in the country.

J. B. Pitcher and R. P. Shorts, former president and vice-president respectively of the United States Health and Accident insurance company, have been elected vice-presidents of the Massachusetts Bonding, and they will have complete management and supervision of the accident and health business of the company. In this they will be assisted by W. H. Howland as assistant manager; C. E. Saunders as superintendent of claim department; G. A. Robertson as auditor; R. S. Hills as superintendent of underwriting, and all other of the former home office executives, heads of departments and employees of the old company.

There will be no change in the policies or agency arrangements of the United States Health and Accident and its reputation and methods will be perpetuated under the new arrangement. President T. J. Falvey's announcement sets forth very clearly and enthusiastically the general details of the new arrangement. He says in part:

The history and splendid record of the United States Health and Accident insurance company, covering twenty-three years of honorable dealings, were attractive considerations to the Massachusetts Bonding and Insurance company when the proposition of amalgamation was first taken up. The general policy and attitude of both companies toward their policyholders and agents being in accord, there appeared only advantages to all concerned to consolidate the two companies, that great opportunity be given for larger development. . . .

This plan of perpetuating the business and methods of the "Old U. S.," supported by the financial standing of our own company, gives the policyholders and agents security and benefits unsurpassed. . . .

I trust all policyholders and agents of the United States Health and Accident insurance company will prove true friends of the Massachusetts Bonding and Insurance company; in return, the company and its officers pledge their best efforts to have the relations of all agreeable and advantageous.

The record and standing of the two companies are the best proof we can furnish as to what this amalgamation means. The fundamental principle and policy of this company is to conduct its business on a basis of equity toward its policyholders and agents and its strict adherence to this policy has been the largest contributing influence to the success it has attained.

If we all pull together from this day to make grand the success this combination of interests assures, the results are certain to redound to the benefit of all.

I wish it were possible for me to know every policyholder, collector, agent and employee of the "Old U. S." family, but as this is impossible, at least for the present, I trust you will accept this communication as introducing myself and company to you as members of this greater family, and I trust all will work together in harmony toward the advancement of our mutual interests.

With best wishes for your continued success, I am

Sincerely yours,

T. J. FALVEY,
President.

President J. B. Pitcher's announcement to the United States Health and Accident policyholders and agents recites the fact that the company, though markedly successful, has been handicapped in growth by confining its efforts to two lines, the accident and health business only. Pressure from agents to write other lines, especially in view of the increased demand, was constant. This the company could only do by extending its charter and starting new in those lines without experience or organization, unless it united with a company of established status in that field. Both companies stand among the leaders in their respective fields and the combination not only fully protects, but greatly benefits, every policyholder, claimant and agent of the United States Health and Accident and widens the field of the Massachusetts Bonding at the same time, the latter company acquiring a million dollar annual health and accident income. The home office and agency force of the United States Health and Accident will be kept intact, and that branch handled from Saginaw as formerly. Reinsurance riders have been sent to all policyholders of that company.

The history of both these companies is noteworthy. The Massachusetts Bonding is the creation of President T. J. Falvey, who organized it in 1907 without any promotion expense and at a time of financial depression. It began with $500,000 capital and $250,000 surplus, doubling those amounts in 1911 and extending the scope of its writings from bonding, burglary and theft, to liability, compensation, plate glass, and personal accident and health. In 1913 the premium income was $3,184,000, an increase of more than a million from the year previous. It now operates in forty-six States. President Falvey is one of the best-known casualty men in the Eastern field and is specially conversant with affairs in New England, through his long service there as general agent of the Fidelity and Deposit, before he organized the Massachusetts. A personality of vigorous nature and marked constructive ability, it is easy to understand his connection with a move of this nature.

The men behind the United States Health and Accident have been identified with the industrial business since its beginnings in this country, and the company's record and experience is one of the very highest. At the time of the investigation of that class of companies by the National Convention of Insurance Commissioners, its record of returns to policyholders showed higher percentage than any other company. For twenty-three years—almost a quarter of a century—it has been under the same management, President J. B. Pitcher organizing it himself. Messrs. F. R. and J. C. Pitcher, vice presidents, and J. M. Pitcher,

Digitized by Google

secretary and treasurer, have been with the company since 1905, contributing personally to its growth. Vice President R. Perry Shorts deserves special mention, as he is one of the finest personalities and most vigorous workers in the business to-day. A young man, a worker, a student and a recognized authority on legal matters, and especially on policy contracts, he has been with the United States Health and Accident since 1907, when he was elected counsel. He was made vice president in 1911 with full jurisdiction over the company's agency field of forty-five States. The United States Health and Accident began business in 1900 with $200,000 capital paid in, and soon thereafter reinsured the business of an association then eleven years old, which gave it a splendid working basis, from which it grew until at the date of the merger it had assets of more than $1,050,000 and an annual premium income of about $1,200,000.

The officers of both organizations, or, to be exact, the old and new official family of the Massachusetts Bonding, are being heartily congratulated this week on the successful and most favorable combination.

Insurance Company Federation Advocated.

A strong stand for co-operation among insurance companies of all classes is being made by President Darwin P. Kingsley, along the line of plans now maturing under his direction and that of other leaders in the business, looking to the formation of a national organization. Mr. Kingsley, in a recent interview in the New York *Commercial*, believes an insurance federation could be formed which could do effective work for Federal supervision which would relieve companies of the burdensome and expensive requirements of the present system. Mr. Kingsley said in part:

One great defect in the plans of insurance heretofore has been that each type of insurance has fought its own battles, assuming probably that it could gain certain advantages and at the same time escape certain disadvantages by not co-operating with other kinds of legitimate insurance.

This is not only a mistake but a survival of the old State's right idea, which is the existing influence that keeps insurance from Federal supervision. Legitimate insurance everywhere ought to stand together. It ought not only stand together, but to fight together. It must fight aggressively at an early date or, in the light of recent decisions of the Supreme Court of the United States, it has no more future than the old federation which preceded the Union.

If each State, as the Supreme Court has recently said, can fix the rates for fire insurance, then of course it can fix every other rate and to say that it can is to forecast that it will. No insurance man needs to be told what that means.

There is not the slightest doubt in my mind that the Supreme Court was convinced in the recent case of the New York Life Insurance Co., against Deer Lodge County, Mont., that it had been wrong from 1868 in saying that insurance was not commerce. On the other hand, of course, as Mr. Justice McKenna frankly said in the controlling opinion, it would be nothing less than revolutionary if it said so.

Apparently, with the exception of Mr. Justice Hughes and Mr. Justice Van Devanter, the Court did not have the courage to say so. But the court did split for the first time. This is an omen of great significance. Since that time they have rendered another decision which indicates great confusion of mind on behalf of the court, a decision which has laid down a principle which will perpetually pester that great body unless I am vastly mistaken. I refer of course to the recent decision which confirms the validity of the Kansas law granting the superintendent of insurance of that State authority to fix fire insurance rates.

Utah Official Life Insurance Rulings.

A complaint against a life insurance agent accussed of overestimating dividends has given rise to considerable thought as to what may and may not be permitted in the way of dividend illustration. A few preliminary observations should be made. In the first place, both participating and non-participating insurance must be protected. Misrepresentation will do lasting injury to both. It is very evident that it would be unfair and in every way undesirable to prohibit dividend illustrations, as that would result in the practical elimination of participating insurance in future writings. But it is clear that the abuse of the privilege of illustration, must ultimately result in the entire prohibition of any dividend estimates or statesments whatsoever. This prohibition if not reached by departmental ruling, as it has been in some States, would surely be reached by legislation, as it has been in others. Hence, the only way to protect and perpetuate participating insurance, is to prevent abuse of this privilege.

All estimates of dividends to escape the charge of misrepresentation must be based on the experience either of the company making them or of some similar company. In line with this idea, I have issued a ruling that annual dividend companies may use their present current schedules on recent policies of exactly the same kind as those now issued. Companies writing deferred dividend insurance may base their estimates on policies matured by themselves or similar companies, making due allowance for non-forfeiture features, interest earnings, expense ratio, and other elements that necessarily enter.

The abuse of the annual dividend estimate is in the attempt to carry it over too long a period. Since no company has been writing its present form of contract for very many years, it is difficult to understand how a company can legitimately use illustrations extending further into the future than past experience indicates. And yet instances are known where dividends are directly or tacitly estimated for twenty, twenty-five, thirty, or thirty-five years, with improvement at compound interest. Some companies, I find, are issuing booklets and illustration blanks, covering long future periods.

Abuse is so inevitable where such blanks are placed indiscriminately in the hands of agents, that the only way to prevent it is to prohibit their use. Companies using them are hereby notified that they must be withdrawn from this State. In the case in point the illustration was carried out by the agent or by the applicant for a period of thirty-five years, and I rule that no company is justified in estimating its dividends that far in advance. There is no past experience on which any such estimates can be justly based. This prohibition is issued in all friendliness and with the positive knowledge that if abuses continue, the use of dividend estimates will be absolutely prohibited in the future as it has been in some States already.

The deferred dividend, confined as it is to a very few companies, is being gradually abandoned by the companies now using it. Greater abuse can arise in estimating this form of dividend than the annual, and for that and other reasons the companies themselves are voluntarily abandoning this form of policy. I now ask all companies placing deferred dividend contracts in this State to furnish me with their literature and instructions to agents as to dividend estimates. This action was taken some three years ago and some abuses were found, which I believe have been partly removed. These companies must furnish their literature again and it will be closely scrutinized and objectionable features removed as far as possible.

Companies that make a strong feature of dividend estimates are always prone to issue comparative literature with this feature emphasized. I have already prohibited the use of such literature where the names of other companies are mentioned. If any such litrature is being issued, it must also be abandoned unless this ruling is contested in the proper way.

Companies issuing pamphlets containing annual dividend illustrations are hereby requested to furnish this office with copies of such pamphlets. Each company will be judged by the pamphlet or pamphlets it issues, and will be informed whether these are objectionable. I ask that they be handed to me immediately for examination.

Companies and agents writing non-participating business are also admonished that it will be construed as misrepresentation for them to ignore the dividend element when making comparative statements with participating insurance. It has come to the notice of this department that some agents in making oral and written comparisons entirely ignore the dividend feature of participating insurance, and make comparisons of their gross rates with the gross rates of the participating companies. Whenever non-participating insurance competes with participating, the regular dividend scales of the participating companies must be taken into account in all comparisons made.

WILLARD DONE,

SALT LAKE CITY, UTAH, April, 23, 1914. *Commissioner.*

Digitized by Google

Insurance Legislation.

Colorado.

DENVER, May 11.—The present special session of the Legislature, owing to the restricted call issued by Governor Ammons, will not consider any insurance legislation.

Louisiana.

BATON ROUGE, May 13.—The message of Governor Luther E. Hall, read at the opening of the legislature on Monday, contains no reference to insurance matters.

Bills introduced:

House Bill 20 (Jones), provides that fire insurance companies shall examine the books kept by any person, firm or corporation making application for insurance, such examination to be prima facie evidence of acceptability for insurance.

Massachusetts.

BOSTON, May 12.—House Bill 1943, to require workmen's compensation benefits to be payable monthly, has been rejected by the Senate. A motion to reconsider the rejection was defeated.

Missouri.

Two workmen's compensation bills are being prepared for introduction at the session of the legislature in January. One is being drafted by the legislative commission and the other by the labor interests.

New York.

ALBANY, May 14.—Talk about amendments to the compensation law at the present session of the legislature was quieted when Governor Glynn, Wednesday night, announced that he had no intention of suggesting any such legislation.

United States Congress.

WASHINGTON, May 12—The new insurance law drafted for the District of Columbia by Insurance Superintendent Nesbit has not yet been introduced in Congress.

House Bill 12585 (Moss, of Indiana), provides for the establishment of certain district land mortgage banks. President Wilson is said not to be entirely satisfied with the bill as it appears, and consideration of it may be delayed until December.

London Assurance Corporation
CHARTERED A. D. 1720
STATEMENT JANUARY 1st, 1912

Assets in U. S.,	$3,747,331
Liabilities in U. S., including Re-insurance Reserve,	2,520,923
Net Surplus,	1,226,408

Losses Paid in the United States over $29,000,000
CHAS. LYMAN CASE, Manager.
84 William Street New York

British America Assurance Co.,
INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA
FIRE INSURANCE
UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W. R. BROCK, Pres. W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.

REMOVAL

¶ Having outgrown our General Offices at 1208 Michigan Avenue we have moved to larger and more complete offices

at

910 MICHIGAN AVE.
CHICAGO

Continental Casualty Company
Continental Assurance Company

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President
The Manhattan Life Insurance Co.
66 Broadway, New York

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

Digitized by Google

"Two of the Oldest and Strongest Fire Insurance Companies of France"

General Fire Assurance Company
OF PARIS, FRANCE
ESTABLISHED 1819

Urbaine Fire Insurance Company
OF PARIS, FRANCE
ESTABLISHED 1838

Agencies Desired in the Principal Cities and Towns

FRED. S. JAMES & CO.
UNITED STATES MANAGERS
NO. 123 WILLIAM STREET
NEW YORK CITY

FRED. S. JAMES GEO. W. BLOSSOM

Trouble Proof are the Policies

issued by the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON
General Agent
Metropolitan District
St. Paul Bldg., 227 Broadway
NEW YORK, N. Y.

That's why Agents have a minimum of trouble selling them

Now Then!

Equitable Accident Company
161 DEVONSHIRE STREET, BOSTON, MASS.
"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA
INCORPORATED 1851

W. R. BROCK, President — W. B. MEIKLE, Vice President and General Manager

UNITED STATES STATEMENT, January 1st, 1914

Assets $2,578,163.43
Surplus in United States 1,053,888.67

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE
76 WILLIAM STREET,
New York City.

12 Million Policies in Force

A Great Public Tribute to The Prudential *and its agents.*

Agents Wanted

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

REPRESENT A WESTERN COMPANY

The Reserve Loan Life Insurance Co.
INDIANAPOLIS
OPERATES UNDER THE
COMPULSORY DEPOSIT LAW of Indiana
RELIABLE AGENTS WANTED
Address: W. K. BELLIS, Secretary

Do you know that
Security Mutual Life Insurance Company
BINGHAMTON, N. Y.
FREDRIC W. JENKINS, President
has GOOD THINGS to offer GOOD MEN. If not, learn about them by addressing for particulars
C. H. JACKSON, Supt. of Agencies

Standard Text and Reference Books

Crosby-Fiske Hand Book of Fire Protection Post-paid $4.00
By EVERETT U. CROSBY and HENRY A. FISKE
A fifth edition of this standard work, published in January, is now ready for delivery. Printed on India Bible paper, with flexible leather cover, the volume, while containing more matter than previous editions, is *only one-third the thickness.* Think of it! 550 pages and one-half inch thick. This Hand-Book applies the rules and requirements of the National Board of Fire Underwriters in constructing and improving buildings, protecting them inside and out with automatic sprinklers, inside standpipes, portable apparatus, watchman service, yard hydrants, and has sections on public fire departments, general construction and all kindred fire protection subjects.

Manual of Electricity, Postpaid $3.10
By A. M. SCHOEN
Those who might hesitate to take up the ordinary electrical work, will find Mr. Schoen's book written in simple and understandable language. Hazards of Electricity and how to find them and how to make an Electrical Inspection are only a few features of this important work on the uses of electricity for lighting, heating and power purposes in accordance with the requirements of the National Electrical Code. Should be in the hands of every insurance man and property owner.

Manual of Inspections, Postpaid $3.10
By W. D. MATTHEWS
What to look for when inspecting various risks, is one of the main requirements of the insurance man, and Mr. Matthews' work gives just the desired information. Every chapter has much of value.

New Building Estimator, Postpaid $3.00
By WILLIAM ARTHUR
This is one of the most valuable works ever issued, giving in detail, as it does, the cost or value of buildings of various types of construction, either before or after a fire. By a table of percentages, the costs are applicable to any section of the country. This book has a phenomenal sale among architects, builders, engineers, adjusters and special agents of fire insurance companies. No local agent is in a position to give his customers authoritative information without an "Estimator."

The Insurance Field Company
Incorporated
P. O. Box 617 LOUISVILLE, KY.

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

The William H. Kenzel Company
23 LIBERTY STREET, NEW YORK

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

The REPUBLIC UNDERWRITERS
Of Dallas, Texas

The COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

(FIRE)

German American Insurance Company New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature
W. D. WYMAN, President W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

GERMANIA
FIRE INSURANCE COMPANY
Organized 1859 NEW YORK
STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Digitized by Google

Fifth Volume of Live Articles on

SPECIAL HAZARDS

Now Ready

CONTENTS OF VOLUME V

The Inspector and the Insured.....by F. M. Griswold, N. Y.
Liquors and Liquor Risks (Illustrated).....by William J. Tallamy, N. Y.
Varnish Factories (Illustrated).....by F. E. Roberts, Toronto, Can.
Embroidery Works (Illustrated).....by Walter O. Lincoln, N. Y.
Button Factories (Illustrated).....by William J. Tallamy, N. Y.
Artificial Leather Manufacture.....by C. B. Mackinney, Providence, R. I.
Cork Factories (Illustrated).....by Charles C. Dominge, N. Y.
Artificial Flowers and Feathers (Illustrated).....by Walter O. Lincoln, N. Y.
Refrigeration (Illustrated).....by William J. Tallamy, N. Y.
How to Read and Criticize Plans.....by Charles C. Dominge, N. Y.
Gas Works (Illustrated).....by Stephen L. Burgher, Boston, Mass.

TABLES OF CONTENTS OF PRECEDING VOLUMES

VOLUME I.
Cotton Mills.
Clothing Factories.
Soap Factories.
Metal Workers.
Paint and Varnish Factories.
Brickyards.
Patent and Enameled Leather.
Candy Factories.
Breweries.
Fur Industry.
Storage Warehouses.
Theatres.
Tobacco Factories.

VOLUME II.
Tobacco Industry.
Flour Mills.
Cabinet Factories.
Garages.
Fireproof Buildings.
Sugar Refineries.
Paper Mills.
Hotels.
Hat Factories.
Printing and Allied Trades.

VOLUME III.
Tanneries.
Woolen Mills.
Shoe Factories.
Rubber Factories.
Piano Factories.
Celluloid Manufacture.
Automobiles.
Laundries.
Forms, Company's Standpoint.
Forms, Brokers' Standpoint.
Organization of Insurance Companies.
Oils, Fats and Fires.
Wood Distillation.

VOLUME IV.
Use and Occupancy Insurance (Two articles).
Paper Box Factories.
Storage of Newspaper Stock.
Oils and Volatile Solvents.
Paint Factories.
Grease, Oil, Paint and Tar Fires.
Paint Industry.
Rubber Reclaiming Industry.
Ladies' Collar Supporters.
Woodworking Plants.
Toy Manufacture.
Shingle Mills.
Cooperage Industry.
Celluloid Dangers.
Iron Galvanizinig Plants.
Common Electrical Hazards.
Electric Car Houses.
Dry Goods Stores.
Sprinkler Efficiency.

Volumes 3, 4 and 5 are fully illustrated

PRICES, SINGLE VOLUMES, $1.05. PER DOZEN, $10.00

COMPLETE SETS (5 volumes, $5.00). THREE SETS FOR $12.00

THE WEEKLY UNDERWRITER.
80 Maiden Lane, New York, N. Y.

Please send to the address below, ... cop..... each of Volumes .....
LIVE ARTICLES ON SPECIAL HAZARDS, for which ..... agree to pay ..... dollars on delivery.

PRICE

1 copy	$1.05
5 copies	5.00
12 copies	10.00
15 copies	12.00
100 copies	75.00

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1869.

VOL. XC. NEW YORK, SATURDAY, MAY 23, 1914. No. 21.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
WILFRED W. MACK, 2d Vice President and Associate Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

A REAL purpose, an actual function, has been suggested for the World's Insurance Congress by President Darwin P. Kingsley of the New York Life. His stirring open letter in this issue will command the attention of all insurance interests. It voices a dissatisfaction with present conditions which strikes an answering chord in every line of indemnity. The serious menace he alludes to was mentioned specially by the National Association of Manufacturers this week, and is referred to elsewhere in this number. The situation demands consideration and a remedy.

THAT the National Association of Manufacturers is keenly interested in the fire insurance business and that its members are alive to fire prevention necessities of the day were shown by the attention given that subject at the annual meeting in New York this week. The National Association of Manufacturers has a still deeper sympathy with the fire insurance business in the present manifestations of hostility to business and capital. The feeling of "hesitancy born of relentless political and legislative assault," mentioned in a special resolution passed unanimously by the manufacturers, is an emotion painfully familiar to fire underwriters. It is a foreboding that keeps managers awake nights, for it reflects directly from the commerce and production of this country upon the insurance business as a whole. It was more than a feeling to the half a hundred companies that went out of business in the past twelve months, for not a few of them frankly admitted that restrictive conditions were among the causes that forced their retirement. The resolution adopted by the manufacturers says:

> Hostility to business must stop. With feelings of profound anxiety we observe prevailing industrial and commercial depression wholly at variance with those healthy and prosperous conditions to which our country is entitled. On all sides productive industry and operative manufacture is shrinking in volume and output to a degree that forebodes years of slow recovery before prosperity can be restored.

No general interest has felt more keenly in the past decade the repressiveness of legislative and departmental regulation than the fire insurance business. Yet in every legislative investigation its methods have been upheld and vindicated. Even in Kentucky, commercial and financial interests have no word against the action of underwriters in withdrawing from the State. On the contrary, they are lending strong aid to make conditions livable for the companies, and are opposing the crude and disastrous meddling of lawmakers with business necessities. The alliance between fire insurance and manufacturing and commercial organizations should be close and co-operative, for anything that saps the strength of one, bleeds also the other. Their business contact, however, in the past has been individual rather than collective. If it were possible for direct consideration and action to be had, each with the other, on big problems through the great divisional and national organizations of both, perhaps some decided stand could be made against influences which persistently disregard the real welfare of the country.

THE first quarter-century anniversary of the Actuarial Society of America was celebrated this week by the members assembled in annual convention, and the circumstance recalls the inception of the organization in 1889 with thirty-eight charter members and its wonderful development in strength, influence and usefulness since then. There is a fellow membership now of 146, with an associate membership of 121 and a waiting list on the examination rolls. Although vigorous minds have been potent in the upbuild of the society, it has grown mainly through the inherent strength and vitality of the movement. In this respect it has vied in performance with the older great organization of Great Britain—the Institute of Actuaries. The effect on the life insurance business of America has been to its manifest advancement and security. Every company of the United States and Canada—even those not directly concerned in its membership—has felt the impression of its labors. It is therefore with the utmost satisfaction that the members have met this week to survey the past and lay out the future, and it has given us pleasure to open our columns to an extended report of the meeting and a republication of the essays on phases of actuarial science which were presented, and to illustrations which give to our readers the lineaments of the three surviving members of the first council of the society. These crown the honored names of David Parks Fackler, Emory McClintock and Howell Williams St. John. By a courtesy which is elsewhere acknowledged we are able to give the first public reproduction of the likeness of Charles Gill, the first American actuary, whose face is a highly interesting one. We also present the portrait of the new president of the society, James McIntosh Craig, the well known

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914; on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street. New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

A BIG FIRST QUARTER!

January, February and March each far exceeded in new business the same months in 1913. And this first quarter rolled up the biggest total of any first quarter in the company's history. Reasons: Up-to-date policy contracts, low net cost, company's reputation, satisfied and prosperous representatives. Have you met the Massachusetts Mutual in *competition?* Would you like to meet it *as one of its representatives?*

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers, Middle Department.....434 Walnut St., Philadelphia

Digitized by Google

Fifty

Workmen's Compensation Acts!

Twenty-six Laws in the United States!
Twenty-four Laws in Europe, Canada and Mexico!
Digested and Compared in

The Insurance Almanac for 1914

SOON READY

Company Information (covering all kinds of insurance).
- Officers, Directors, Territory covered, and Lines Written.
- Statistics for 1914.
- Life, Fire and Miscellaneous Companies.
- Lloyds, Inter-Insurers, Underwriters' Agencies, Etc.
- New Companies and those which ceased business in 1914.

Associations of Underwriters (National, State and Local).
- Who's Who, What they are, where and when they meet.
- Companies belonging to Unions and Bureaus, and other Associations.

The State—Legal Information, Etc.
- Governors, Insurance Department Officials, Etc.
- Congress and the Legislatures.
- Dates of forthcoming Legislative Sessions.
- New Laws enacted by the last Legislatures.
- Statutory Requirements in the different States.
- States having particular laws—Anti-Compact, Standard Policy, Etc.
- Fire Marshals, Salvage Corps, Fire Prevention Associations, Etc.

ALL YOURS FOR ONE DOLLAR!

.....

$..... .....19..

THE WEEKLY UNDERWRITER

EIGHTY MAIDEN LANE, NEW YORK, N. Y.

Is hereby authorized to send.....cop.....of THE INSURANCE ALMANAC for 1914, for which we agree to pay.....dollars on delivery.

	PRICE
$1.00	Per Copy
$10.00	Per Dozen
$75.00	Per Hundred
$500.00	Per Thousand

....

....

Digitized by Google

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:
Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
R. H. COLCOCK, Jr., Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

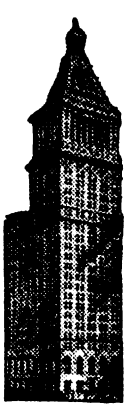
R. P. FABJ, Manager.
THOS. H. ANDERSON, Assistant Manager.

"IT PAYS TO WORK FOR

THE UNION CENTRAL"

LIFE INSURANCE CO.

OF CINCINNATI, O.



Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA

INCORPORATED 1851

W. R. BROCK, President — W. B. MEIKLE, Vice President and General Manager

UNITED STATES STATEMENT, January 1st, 1914

Assets	$2,578,163.43
Surplus in United States	1,053,888.67

British America Assurance Co.,

INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA

FIRE INSURANCE

UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W.R. BROCK, Pres. **W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.**

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

" THE COMPANY THAT WORKS WITH YOU "

CAPITAL,	$100,000.00
SURPLUS TO POLICYHOLDERS,	182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President

The Manhattan Life Insurance Co.

66 Broadway, New York

2 Billion, 406 Million Dollars

Life Insurance in Force January 1, 1914, show the commanding position in the Life Insurance affairs of the nation held by

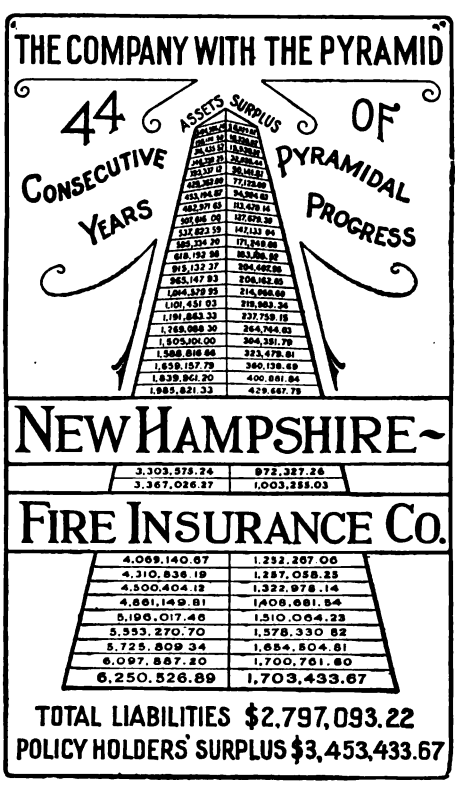
The Prudential

Agents Wanted

THE PRUDENTIAL INSURANCE CO. OF AMERICA

FORREST F. DRYDEN, President. Home Office, Newark, N. J.

Incorporated as a Stock Company by the State of New Jersey.



Digitized by Google

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

GOOD SERVICE

is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address

The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

NORD-DEUTSCHE
INSURANCE COMPANY

OF HAMBURG, GERMANY.
ESTABLISHED 1857

Assets January 1, 1914		$1,439,399.53
Liabilities	" "	579,631.12
Surplus	" "	859,768.41

U. S. BRANCH, 123 WILLIAM ST., NEW YORK
J. H. LENEHAN, UNITED STATES MANAGER

COMMERCIAL UNION ASSURANCE CO.

LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.

65 JOHN STREET, NEW YORK.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1914

Total Assets,	$9,154,808.16
Capital Stock,	750,000.00
Net Surplus,	2,558,864.84

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
89 John Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

Digitized by Google

CHARTERED 1811

NEWARK FIRE
INSURANCE COMPANY
NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company
OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

AMERICAN CENTRAL LIFE
Insurance Co.
INDIANAPOLIS, IND.
Established 1899

HERBERT M. WOOLLEN
PRESIDENT

[FIRE]
German American
Insurance Company
New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

PHŒNIX
ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

1825. THE 1914.
Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

The Agricultural Insurance Company
of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President W. S. WELD, Supt. of Agencies

"An agent is known by the companies he keeps"

CONTINENTAL INSURANCE COMPANY OF NEW YORK

The best company for a policy-holder is the best company for an agent.

HENRY EVANS, *President*

HOME OFFICE
80 MAIDEN LANE, NEW YORK

WESTERN OFFICE
332 SO. LA SALLE ST., CHICAGO

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE MARINE
RENT INLAND
AUTOMOBILE
TOURIST MOTORBOAT
LEASEHOLD PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK
An old and well established company, progressive and up-to-date in its methods.
PERSONAL ACCIDENT
PLATE GLASS HEALTH
INSURANCE
E. H. WINSLOW, President
RELIABLE AND ENERGETIC AGENTS WANTED

The William H. Kenzel Company
23 LIBERTY STREET, NEW YORK
REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

The REPUBLIC UNDERWRITERS
Of Dallas, Texas

The COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, JUNE 13, 1914. No. 24.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
WILFRED W. MACK, 2d Vice President and Associate Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

THE Kentucky war-cloud is lifting. The agreement framed this week at Louisville remains to be ratified by the companies next Tuesday. It embodies the principle for which the companies have steadily fought—reasonable rates and a fair profit. The details have not been made public, but it is known that they fully cover the companies' position. The pressure on the politicians became too strong to be longer withstood. Credit must be given the business men of the State if the adjustment is made, for the companies gave up trying to barter with them some time ago. Yet the companies are given strong credit by the business men for their open-minded attitude and their willingness to meet a reasonable proposition.

Two States now, Kentucky and Missouri, are in the strange position of annulling their insurance statutes by agreement on the part of State officials, as a result of popular demand and the requirement of business interests. Both States promise amendments to the repressive laws, by their next legislatures, which will allow companies to do business at "living wages." The whole insurance situation in the United States seems to rest on the question whether they will, in political parlance, "deliver the goods." If not, there can be in the future no such adjustments of conditions to meet popular demands as these States have afforded, by courtesy of the companies. While both affairs are parodies on the American mania for legislation, it is well that a quick, even though temporary, adjustment of this kind can be made when business interests, the vitality of the country, demand. The politicians who are forced to stultify their own acts, which they have so strenuously defended before the eyes of their constituents, do not gain in standing through expedients like these to save what little influence they have left in their own communities. What they must really do to rehabilitate themselves, if that is possible, is to make every effort to get just and right laws on their statute books as soon as possible. Insurance companies have been too long the game of those who believe in corporation baiting and playing to the long-haired constituency, who have nothing to lose by a cessation of credit. But there must be no let up in the educational movement in all States by companies and agents and allied interests. Few people outside of Kentucky and Missouri, and even a small proportion of insurers in those States, realize the significance of the struggle which has been smoothed over for them. They have not felt the real bite of an insurance famine, and it is well for them.

IT IS unfortunate that the establishment of the workings of the workmen's compensation law in New York should be accompanied by so much confusion, but, in view of the influence of politics upon the legislation from its inception in this State, little else was to be expected. The labor element, through its demagogues, demanded that which experts knew to be unusual and unworkable, and the politicians seeking the labor vote had not the moral courage to oppose their demands. The consequence is that the great State of New York is fettered by a workmen's compensation law that will be a factor in driving industry from the State, in fostering the employment of unmarried men in preference to those with families dependent upon them, and in breaking down insurance organizations conducted by men who have given their lives to developing them to a high point of efficiency. There has been no such confusion in other States. New Jersey, Massachusetts and other States have workmen's compensation laws under which operations have been conducted with satisfaction alike to employers and employees, and the insurance companies have rendered important service to all. It will be a significant service to the country if from the example of New York the others may learn that insurance, to be of the highest good to those who need it, should be kept out of politics, or that politics should be kept out of insurance. It is a business for experts. A cook might be able to build a fence, and an insurance expert might descend into politics, but the farm laborer would scarcely be able to qualify as a chef, and the political fence-builder will never be able to master the intricacies of a benefaction like that of insurance. It is a pity that New York State has been tarred with the same stick that has made bad insurance history in Missouri, Arkansas, Kansas, Kentucky and Texas, where politics have interfered with good business and resulted in much hardship to the citizens of those commonwealths.

THE systematic attack on the taxation of life insurance which Mr. Edward A. Woods, chairman of the committee on taxation of the National Association of Life Underwriters, has begun, should be followed by a systematic effort by life insurance organizations and companies to bring influence to bear on legislatures to re-

Digitized by Google

peal the tax. While the injustice and impolicy of the tax has been urged by numerous writers and speakers since it became a marked feature in insurance legislation, no one has taken up the matter with so much thoroughness and force as Mr. Woods, and he has practically said the last word that can be said thereon. He has shown that this tax, which is levied by no other country in the world than ours, has been steadily increasing, and that, whereas twenty States levied no tax in 1871, there is now but one State that spares the insured. In 1860 the tax was 70 cents of each $100 of premiums; now it is $2.26. In 1890 the tax aggregated in amount $2,000,000; now it is over $13,000,000, and still unsatisfied finance committees of legislatures every year are devising more burdensome tax laws, which the insurance companies must fight. When it is considered—as Mr. Woods says—that last year's tax would have bought $550,000,000 more life insurance; would have added 14 per cent. more to the refunds or dividends returned to policyholders; aggregated in amount several times the executive salaries paid to all officers of all life insurance companies; meant $63 taken from every $1,000 paid to the widow, and would have reduced the total cost of life insurance in the United States 2 per cent., the impropriety of the tax will begin to be realized. All these facts, together with the great fundamental one that life insurance is not a gainful occupation, but merely a distribution of a loss by common contributions, should by concerted effort be brought to the vivid attention of legislators, and the most effective mediums for this work are the associated companies, by their legislative attorneys, and the agents, through their policyholders. The latter should be subjected to a thorough enlightenment, by educational literature and personal canvass, as to the wrong which they endure and the means by which they can remove it.

Fire Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

June 18—West Virginia Association of Local Fire Insurance Agents at Martinsburg, W. Va.

June 24-25—Ohio Farmers Western Department Agency convention at Delevan Lake, Wis.

August 5-6—Michigan Association of Local Fire Insurance Agents at Grand Rapids.

August 18-21—National Association of Insurance Agents at Hotel Radisson, Minneapolis, Minn.

September 11-12—Fire Marshal's Association of North America at Asheville, N. C.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16—Western Union at Hotel Traymore, Atlantic City, N. J.

September 22-24—National Association of Mutual Insurance Companies and Associations, at Virginia Hotel, Columbus, O.

October 7-8—Fire Underwriters' Association of the Northwest at Chicago.

October 7-8—Tennessee Underwriters' Association at Memphis.

October 20-21—Western Insurance Bureau, Greenbrier Hotel, White Sulphur Springs, W. Va.

October 20-23—International Association of Fire Engineers at Hotel Grunewald, New Orleans, La.

Negotiations for **settlement of Kentucky troubles** came to a head this week, and as a result of a two-day conference between the companies' committee, the business men's committee and the State officials at Louisville, an agreement was reached which will be submitted to a general meeting of companies doing business in Kentucky, to be held in New York on June 16. If approved, as is now expected, it will bring the immediate resumption of business in the State. The only official statement on the conference is the one given out by the business men's committee, as follows:

First.—An agreement settling the insurance controversy has been reached, subject to ratification by the fire companies represented in the negotiations by their committee.

Second.—That the State officials have evidenced a broad and comprehending spirit of public duty in their earnest and zealous efforts not only to safeguard the interests of the State, but at the same time to ameliorate the deplorable situation which has been brought about by the withdrawal from Kentucky of the insurance companies heretofore doing business in the State.

The insurance companies, we feel sure, have been equally sincere in and broad-minded in their efforts to assist in arriving at a satisfactory understanding and adjustment of the difficulty. The committee representing the companies has labored well and faithfullv not alone in their own interests, but in the interest of their customers as well, to arrive at a basis of understanding which would permit them to resume business in Kentucky.

Third.—We do not feel that it is possible to go into detail as to the reasons for disagreements nor as to the concessions which have been made on both sides in order that a compromise might be reached. Suffice it to say that this committee is thoroughly conversant with the negotiations which have been carried on, that we heartily endorse the conclusions which have been reached; that we sincerely believe the State officials have performed their duty to the people ably and well; that the committee representing the insurance companies have, so far as they could with due regard to the interests they represent, met the demands for a reduction in rates, and finally we congratulate the people of Kentucky on the settlement of an issue which threatened to paralyze the business of the State, stagnate trade and retard the growth and development of manufacturing and commerce throughout the commonwealth. We strongly urge upon the business interests of Kentucky their hearty support of the agreement entered into.

It is understood that the agreement includes a test of the Glenn-Greene amendment, to be begun at once by the business interests, a restraining order against the provisions of the law and an agreement from the State Board not to attempt any enforcement pending the decision, the framing of a new insurance code by a commission, business to continue as under former conditions and agreement by the State Board not to require any burdensome information of the companies.

The Boston's handsome brochure, "Marine and Fire Insurance in Boston," is an addition to any insurance library and a valuable contribution to the general history of the business. It has just been issued with the compliments of the officers and directors on the occasion of the fortieth anniversary of the company and the opening of its new building. The book is illustrated with a number of handsome cuts, especially interesting being those of the old clipper ships, famous in American maritime history. The new building is specially designed for the comfort and convenience of this fine old company and is one of which President Ransom B. Fuller and his associates may well be very proud. The "Old Boston" has a record which is worth preserving in such form as the book presents. It was incorporated in 1873, just after the great Boston fire of the year before. Mr. Fuller's connection with the company has been constant, and he was its organizer. Originally designed for the marine underwriting, the Boston has followed with fine foresight the changes of the business, and now that the great shipping trade has changed its character so considerably, the company has built up not only a wonderful business in gasoline and pleasure boats and automobile lines, but has a wide and profitable fire plant, which was started in April, 1896. The Boston issued the first automobile floater policy in this country. Originally capitalized at $300,000, the company now has a million capital, and from no surplus has built up one of $2,800,000, a reserve of about two millions and a quarter and a premium income annually of nearly five million dollars. Its loss payments now amount to over six thousand dollars a day. A handsome portrait of President Fuller is included in the book, which also gives a very interesting sketch of Boston agencies and a history of the changes in commercial and mercantile conditions there during the last fifty years.

Digitized by Google

The **losses by fire in the United States and Canada** during the month of May, as compiled by the *Journal of Commerce*, aggregated $15,507,800, as compared with $17,225,850 reported in May last year. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
May	21,013,950	17,225,850	15,507,800
Total, 5 months	$118,269,000	$93,751,950	$103,670,250

The most important fires during the month of May included the following:

Houghton, Mich., foundry	$500,000
Deming, N. M., telegraph office and stores	250,000
Seattle, Wash., furniture house	300,000
Louisville, Ky., tobacco warehouse	500,000
Unionville, N. Y., oil refinery and tanks	300,000
Galveston, Tex., cotton compress and cotton	900,000
New York City, can factory and other	250,000
Lebam, Wash., lumber plant and other	300,000
Albany, N. Y., business block	250,000
Cleveland, Ohio, lumber yards and other	1,250,000

Our contemporary says: "The May fires were as a rule of moderate size and well distributed over the field, except that there was a large cotton fire at Galveston, Tex., and an expensive lumber loss at Cleveland, Ohio. While May, 1914, shows a reduction as compared with the aggregate for May, 1913, the total for the year so far exceeds the sum chargeable against the same period of 1913 by about ten million dollars."

The **Insurance Institute of America** held its sixth annual meeting in Philadelphia on Wednesday and Thursday and elected the following officers: President, John H. Kinney, Philadelphia; secretary-treasurer, Benjamin Richards, Boston; executive committee, W. N. Bament, New York, three years; Walter C. Chandler, Memphis, two years; J. M. Laird, Hartford, one year; honorary vice presidents, E. E. Cole, president National Union; George E. Haas, Western manager Atlas; A. W. Neale, president Cleveland Fire Exchange; Edward Milligan, president Phoenix-Hartford; E. Middleton, manager Tennessee Inspection Bureau; C. F. Shallcross, United States manager Royal; Herbert Folger, San Francisco; H. J. Brown, Philadelphia; U. C. Crosby, Boston; W. C. Faxon, vice president Ætna. Eight organizations were represented and the conference showed a most encouraging growth of interest in educational work along insurance lines. The executive committee was authorized to appoint an educational committee of twelve members, three each from the fire, marine, life and casualty lines, to handle the work of broadening and strengthening the courses offered by the institute. There was a fine registration and excellent results in the examinations the past year, according to the report of Chairman E. R. Hardy of the examinations committee. Charles F. Guntner and Andrew H. Litchholt, of New York, were among the third-year men who received diplomas for completing the course. F. Howard Snell, with Benedict & Benedict, was a second-year man who received credentials, and the first-year men from New York who qualified were Louis W. Chapin, Basil G. Moon and William O. Tremaine, of the New York Fire Insurance Exchange; Anthony Van Tuyl, of Willcox, Peck & Hughes, and George A. Hamilton, of the Royal.

A case of special interest to underwriters, involving the right of the fire department **to collect the cost of fire fighting** from property owners who neglect to comply with orders of the Fire Prevention Bureau, was argued on Thursday in the Supreme Court, Special Term, before Judge Giegerich. The fire department has sued the Greenwood Cemetery Corporation for $1,500, the cost of calling out the apparatus for a basement fire there on January 31. The Bureau had ordered automatic sprinklers installed. The suit is based on a provision of the city charter, which has for many years been a dead letter, but which provides that the property owner is liable for the cost of extinguishing the fire, and for injuries to firemen, when the fire occurs through failure to comply with an ordinance. If this suit goes through it will mean a new era in the protection of New York City, as scores of suits will be started along the same line.

The Illinois, Michigan and Wisconsin Local Agents' Association of the **Ohio Farmers' Insurance Company** will hold its annual meeting at the Highland, Delavan Lake, Wisconsin, Thursday and Friday, June 25 and 26. The meeting is one of those very pleasant family affairs for which the company is famous among its agency forces. Manager Charles L. Hecox, of the Western department at Chicago, will be in charge of the gathering, and among the speakers will be President F. H. Hawley, who will deliver the welcome address; President Ray Chartier, of the Ohio Farmers' Agents' Association; General Counsel Lee Elliott, of the company; George W. Nance, president of the Ohio Association, and Theodore Herfurth, of Madison, Wisconsin. The ladies' quartet from the company's home office will render a musical programme, and a get-together dinner will be enjoyed on Thursday evening.

The bureau of surveys of the New York Board of Fire Underwriters has issued a **special report** on the fire in the plant of the Universal Film Manufacturing Company on May 13, which was started by an electric drop light being struck by the shoulder of an employee and swinging against some metal boxes. The globe was broken, and some films were set on fire. The report gives the following conclusions:

> The process of developing and printing nitro-cellulose motion picture films is unusually hazardous and should be isolated in a separate building. If permitted in a building with other occupancies the construction should be fireproof, with standard protection at floor openings. The amount of film in process should be limited to a small quantity in any one room, by sub-dividing with numerous fire resisting partitions and fire floors. The building should be equipped throughout with automatic sprinklers.
>
> The use of portable electric lamps, also swinging drops, in occupancies of this character are dangerous and lights in rooms where films are stored or handled should be protected by wire guards or vapor-proof globes.

The annual meeting of the **Pennsylvania Association** of Local Fire Agents was held Thursday and Friday at Pittsburgh. About one hundred and fifty attended the gathering. President C. F. Hildreth, of the National Association of Insurance Agents, was not able to attend. President C. B. Lutz presided and the gathering was welcomed by Joseph S. Alexander of Pittsburgh. A fine address on fire prevention was made by D. C. Shaw, a wholesale grocer of Pittsburgh. Other speakers of the meeting were C. W. Gerwig, L. E. Johns, secretary of the Allegheny County Board, and H. H. Putnam. Ex-president A. W. Neale, of Cleveland, made a fine talk on association work and W. S. Diggs, president of the Insurance Federation of Ohio, urged the formation of a similar body in Pennsylvania. The movement was strongly endorsed by the association as a body.

An **attack on** the utility of **the analytic system** has been made by Manager Charles F. Simonson, of the Equipped Risk Association of Chicago. Mr. Simonson was formerly superintendent of rates for the Western Union, and got up the schedules which were superseded by the Dean schedule. Mr. Simonson contends that the eccentricities of the analytic system have caused most of the rating trouble in the Western field, and

Digitized by Google

predicts still further disturbances, unless the method is changed. It will be interesting to see what reply will be made by Manager A. F. Dean, of the Springfield, who is one of the most virile writers in the business, and very capable of defending his method of rating.

Application for a receiver for the First National Fire of Washington was **denied** by the court on Wednesday. It was charged that the application was made to embarrass the management in the annual election. The company showed the court that on June 1 it had practically a million and a half dollars surplus. The company's annual meeting to vote on the reduction of capital and elect officers has been postponed thirty days. It was to have been held on Wednesday. The contending factions in the company are understood to have reached an agreement. An application for a receiver for the Commercial Fire, the running mate of the First National, was denied last week.

The appointment of S. Y. Tupper, Jr., as **second assistant manager of the Queen** in the Southern department, to be effective July 1, is announced this week. Mr. Tupper is a son of Manager S. Y. Tupper and had his early training in that office, also representing the company in the field for several years until his appointment as special agent for the German American and German Alliance five years ago. "Young Sam," as he is known in the Atlanta insurance family, is a live wire and an excellent prototype of his father in every respect. He has made good on his own account, and his selection as second assistant to his father is not only natural, but logical.

Louisiana is disturbed by the report of the House judiciary committee, favorable to a bill prohibiting the Louisiana Fire Prevention Bureau from fixing basis rates and having jurisdiction over fire risks. The bill was strongly fought in the committee with letters of endorsement from prominent business men in New Orleans and elsewhere. Wholesalers, banking interests and insurance men of Shreveport are greatly wrought up over the Jones bill, declaring fire insurance policies to be prima facie evidence of the fact that all the warranties of the policy have been complied with, on the ground that it opens a way to commission of the most violent frauds.

The bulletin of the **South Carolina** insurance department covering **fires** in that State during May gives a total of 250 as against 189 for the same period last year. "Unknown causes" heads the last as usual with 66 fires, but the second is "sparks on roof" with 40 fires. Defective flues caused 21 fires. Gasoline explosions caused three fires with losses of $15,000. "Rats and matches" are set down for 11 fires with over $5,000 loss. Fires from preventable causes are listed by the department as causing $29,974 loss. The first five months of this year show an increase in the number of fires over last, but a decrease of nearly a half million dollars in amount of loss.

Interesting **changes in the Phoenix of London** are announced to be effective July 1, in the Western department. General Agent M. F. Driscoll, for twenty-two years past in charge of that office, retires on that date with a comfortable pension and is succeeded by R. E. Lidster, now assistant general agent. Mr. Lidster is also a veteran in the service of the Phoenix. Mr. Driscoll has been with the Phoenix for thirty-five years in all. The company has also appointed Hart Darlington assistant manager at the New York office. Mr. Darlington has been with the company for a long time, and recently in the New York field as State agent.

Class 2 agents of Chicago organized at a meeting on Wednesday. Regular membership is restricted to Class 2 agents who have city brokers' licenses, while members of Classes 3 and 4 can be associate members. The association will have an executive committee of eighteen, six each from the North, West and the South sides. This committee will select the officers. This association was formed following the refusal of the executive committee of the Chicago Board to deal with Class 2 men in the recent commission changes. One object of the association will be to contract the placing of lines with agencies friendly to Class 2.

The **attorney-general of Texas** has rendered an opinion that the State Fire Insurance Commission has exclusive power to fix maximum insurance rates, both temporary and permanent. No fire insurance company, he says, can write insurance at a greater rate, nor can it write insurance at a lesser rate, except upon condition that the lesser rate shall be made applicable to all risks of the same character in the same community, and upon the further condition that an analysis of the lesser rate shall be filed with the commission.

A fight for **control of the First National** Fire of Washington developed at the annual meeting of the stockholders on Thursday. R. J. Wynne, recently deposed as president, is opposed to Robert R. Tuttle and F. S. Dudley. The court late Wednesday night refused to restrain the holding of the stockholders' meeting, as had been planned. More than one hundred attended the meeting and an attempt was made to wrest the direction of the meeting from Mr. Dudley. The counting of the ballots is still in progress.

The **Canadian insurance report,** recently issued by the Dominion Government, shows gross premiums of all companies operating there to be $35,105,907 with losses of $14,612,940. Canadian companies wrote over five millions in premiums, British companies over thirteen millions and United States and other companies about seven and a half millions. The Hartford does the biggest business in Canada of any American company, while the Liverpool and London and Globe leads the British.

The **joint conference committee** of the Union and Bureau has decided to take up the matter of devising a uniform method of apportioning losses under nonconcurrent policies. Chairman Sage has appointed the following committee: C. H. Barry, Pennsylvania, chairman; W. L. Steele, Niagara; W. M. Patton, Northwestern National, and Neal Bassett, Firemen's of Newark. They will co-operate with the committee appointed for a similar purpose by the National Board.

The **Minnesota and North Dakota Fire Underwriters'** Association held its annual meeting at Lake Osakis on Thursday and elected the following officers: President, E. C. Bowe, Springfield; vice president, Byron K. Cowles, Phoenix of Hartford; secretary, Charles G. Stone, Hand-in-Hand Underwriters, and treasurer, E. J. McDonald, North British. The State Fire Prevention Association was merged with the field men's organization to save expense.

We are in receipt of a handsome book descriptive of the new head office building of the **Munich Reinsurance company** in Munich, Germany. The book is beautifully illuminated with illustrations of various portions of the interior and exterior of the building. They show the building to be one of great architectural beauty, as well as business convenience. We are indebted to United States Manager Carl Schreiner of Hartford for the book.

(*Continued on page* 543)

Digitized by Google

WORKMEN'S COMPENSATION IN NEW YORK "UP IN THE AIR".

Present Situation One of Uncertainty—Several Companies May Discontinue Liability Business—Difference of Opinion on Rate Formula Promulgated by Insurance Department.

A prominent liability underwriter says: "The farmula prescribed by the New York insurance department is entirely inadequate. The resultant rate will not only prove profitless to the companies but will produce a loss."

A prominent supervising official says: "The companies will receive entirely too many dollars for their service and the agents will be paid entirely too much for their work. I am thinking of having the expense ratio in my State reduced."

At the present moment nothing seems to be certain about the workmen's compensation situation in New York except that it is full of uncertainty and doubt. The gossip is that a number of the stock liability companies will forego the privilege of writing workmen's compensation insurance in this State, which will of course involve their withdrawal also from the writing of employers' liability business. The New England Casualty has made such an announcement and has further announced that it will cancel all its existing general liability business in New York that carries with it any employers' liability whatsoever.

The formula promulgated by the New York insurance department this week, which is printed elsewhere, has been variously received. Some believe the rates it will produce will be entirely too low and will result in loss to the companies. Others are of the opinion that they are about right and will prove adequate. The insurance department has had its actuarial force busy on the matter for a long time and is of the firm opinion that the formula will provide premiums sufficient to meet the benefits named in the law, pay the expense of producing and handling the business and insure the solvency of the companies writing the business. Some believe the rate could well be lower still.

The statement issued by Superintendent Hasbrouck on Tuesday mentions a central inspection rating bureau as being in process of organization for the purpose of applying an analytic rating schedule to the workmen's compensation risks of the State. The formation of such a bureau has been under way for some time and a meeting to take definite action was set for Thursday of this week. At that time it was decided to defer further action until something could be learned as to the probability of participation by five of the largest liability companies in the country, who had not at the time of Thursday's meeting signified their intention to co-operate in the work of inspection. The insurance department is confident that the inspection bureau will be organized as planned. Deputy Hoey says that in the event of its failure the situation will be met as seems wise. The State fund expects to participate in the inspection bureau, if it is organized.

Interesting comment on the workmen's compensation situation both here and in Massachusetts has been made by Insurance Commissioner Hardison, who is of the opinion that the expense ratio provided by the New York ruling will divert too many dollars into the hands of the companies and agents. He said to a representative of THE WEEKLY UNDERWRITER on Wednesday that under the new order of things, assuming that the New York premiums will be twice those collected in Massachusetts, the companies will get for their 33⅓ per cent. expense allowance, four times as many dollars as the same ratio would entitle them to under the old liability premium rates. He claimed that it is no more expensive to transact workmen's compensation business than it was to transact the old employers' liability business, and that to retain four times as many dollars for it is unreasonable. He said that in Massachusetts the present forty per cent. expense ratio allowed is too much, and that even the 33⅓ per cent. expense ratio under the amendment now before the Senate, having passed the Senate, will be too high, and he is considering steps to reduce this amount to thirty per cent. or even below that. He says that workmen's compensation is a public benefit movement and that the burden ought not to be made too heavy on the public.

In reply to this attitude a prominent casualty underwriter said that Mr. Hardison should make public for the benefit of the underwriters the Massachusetts experience under Schedules W and Z during the past year, and that the fact of a twenty-five per cent. increase in the loss experience of the Massachusetts Employees Insurance Association between December and February last should be made known. Further, that the factor of difference between the loss-creating probabilities of the Massachusetts and New York laws is not as low as 2, but should be 2.69, or thereabouts. Also that instead of a loading of 8 per cent. for the uncompleted experience in Massachusetts it should be 40 or 50 per cent., and that in addition to this a provision should be made for the catastrophe hazard. He pointed out that workmen's compensation insurance has not yet experienced a catastrophe in the United States, and that the effect of such an experience is not reflected in any workmen's compensation experience available. This hazard, he maintained, ought to be recognized and provided for just as it is recognized and provided for in fire insurance, where many companies carry large funds especially to care for a conflagration loss. In the liability business, contrarily, nothing seems to be recognized by legislators and politicians except the doctrine that the men of experience in the business, and who have their capital at risk, are to be considered as dangerous and untrustworthy.

The influence of ignorance and politics on the New York situation has been very plain from the beginning of the workmen's compensation movement. When Governor Sulzer wrote his first message on the subject he knew so little about it that he confused workmen's compensation for industrial injuries with the minimum wage propaganda, and he learned so little about it that some months later he repeated the blunder. Notwithstanding that the insurance department had prepared a sane bill, which would not have involved so much confusion in the inauguration of its administration, the influence of political leaders under the control of the labor element was sufficient to cause him to veto it after it had been enacted.

The circumstances of the enactment of the present law, when members of the Legislature were whipped into line in order to put the bill through, are familiar to all interested in the subject, and the re-enactment of the measure to make sure of its validity was accompanied by like political machinations. As in the first case, a reasonable bill prepared by the New

Digitized by Google

York insurance department was thrust aside for the measure demanded by the labor demagogues.

As early as the first hearings on the compensation question the antipathy of the labor leaders to anything except that advocated by McDonough and his followers was marked, and stock companies, to judge from the speeches of the labor leaders, were to avoided and hated as serpents. Their opponents were not fair enough to admit that it was the law of the State that had set the liability companies between the workman and the employer. If the result of the experience in New York under the rates as established shows that the business cannot be conducted profitably or at all, the effect on the State fund, which is expected to quote a rate ten per cent. below that used by the stock companies, may be expected to be disastrous, notwithstanding the contribution of its first thirty months' administration expense money by the taxpayers of the State. Such mutuals as have selected their risks with extreme care should exist for a time, although a well-informed mutual advocate said a short time ago that probably about three of the compensation mutuals would live and the others would "blow up" with more or less accompanying loud noise.

The rate statement issued by Superintendent Hasbrouck this week was as follows:

The insurance department has this day determined a basis of adequate minimum rates for insurers of employers against liability for compensation under the workmen's compensation law, in accordance with which the adequacy of rates to be filed by insurance corporations and associations shall be judged for approval.

The conclusions of the department have been reached only after most thorough investigation on the part of its experts, who have been employed upon the work not only since the passage of the workmen's compensation law, but for months prior thereto, in anticipation of its passage; and also after repeated conferences with representatives of insurance companies engaged in the business of liability insurance, at which the subject was very fully discussed. The last conference was held in the Executive Chamber, before the Governor, on Friday, June 5. At this conference there were present representatives of all the large liability insurance companies, both stock and mutual, and advocates of both high rates and low rates. The members of the State Workmen's Compensation Commission, the State superintendent of insurance, Deputies Appleton and Hoey, and Messrs. Senior and Ryan of the insurance department, were also present.

The question for determination was the adequacy of rates that would insure to the injured workman the payment of the benefits provided for him under the workmen's compensation law and would also protect the solvency of liability companies engaging in the business of compensation insurance.

At all the conferences held upon the subject Governor Glynn has insisted, in the interest of the manufacturers and employers of labor of the State, that the new burden put upon them by this new law should be as light as possible. This view of the Governor has had the sympathetic support of the insurance department, and the effort has been at all times, while determining what would be adequate rates, to have these rates as reasonable as it was possible to make them consistent with the solvency of the insurance carriers.

Of course, the large compensation given to injured workmen and to the dependents of those who are killed—much larger than provided in similar laws of any other State—necessitates a larger premium for this liability and compensation insurance than is necessary in these other States.

The legislature has imposed upon the superintendent of insurance the duty of approving the adequacy of rates to be charged for compensation insurance by stock and mutual companies. This has placed upon the superintendent the responsibility of determining not only adequate but reasonable rates to be paid by the employers in this State. In order to ascertain the facts, the department has made a careful investigation of the subject and has invited the views of all the best experts thereon. Differences of opinion have developed among such experts as to what is the proper basis for New York rates. All of them, however, have agreed that Massachusetts experience is a substantial basis for rate-making in New York. The principal elements about which the discussion revolved itself were: First, what factor should be allowed for the incompleted experience of the Massachusetts outstanding claims? Second, what was the proper factor representing the difference between the laws of New York and Massachusetts? Third, what was a proper loading for administration and acquisition expenses?

The superintendent, acting in conformity with the views of the Governor, has determined to reject all conclusions which appear to be extreme and to adopt a formula for the calculation of rates which will produce a loss ratio of 66⅔ per cent. and an expense ratio of 33⅓ per cent. The conclusions of the department as to what will constitute adequate minimum rates are embodied in the memorandum which follows:

Schedules of rates to be filed by companies pursuant to the provisions of Section 67 of the insurance law, in order to receive department approval as to adequacy, must be constructed on the following basis:

1st. Pure premiums as shown by Massachusetts Schedule Z modified by the experience in other compensation States and by the grouping of analogous hazards in minor classifications.

2d. To such pure premiums should be added a loading of at least 8 per cent., for the purpose of covering incompleted experience on outstanding claims, and the catastrophe hazard.

3d. For the difference representing the greater benefits provided by the New York law above those of the Massachusetts law, a factor of 2 should be used as a multiplier.

4th. For administration expenses, including acquisition, loss adjustments, inspections, taxes, and all other expenses, a loading of 33⅓ per cent. of the gross premiums will be required. The department will not prescribe the manner in which the 33⅓ per cent. margin allowed for expenses shall be distributed by the companies. It will, however, require that the companies do not expend a greater amount of the premium for the purposes above indicated.

With this information in their possession, the department will expect the companies to proceed immediately with the printing of the manual of rates, and to submit the same for approval not later than Monday, June 15. The department now has in preparation a manual constructed on the above formula, which will be ready in printed form on the date above mentioned. Companies that submit manuals which conform to the department minimum rates, or that provide for adequate rates in excess of such minimum rates, will receive department approval as a matter of course. Manuals prepared on different formulae will require a reasonable time for consideration.

Minimum rates prepared in accordance with the formula outlined here will be subject to the following reductions:

1st. On policies excluding the medical benefits provided in Section 13 of the workmen's compensation law, a discount of 20 per cent. will be permitted.

2d. On policies of employers whose plants have been inspected in accordance with a schedule filed with this department, such schedule taking into consideration the accident experience of the plant, reductions will be granted to the extent of the results shown by the inspection report and record of experience. In no case, however, will a reduction be permitted that is greater than 40 per cent. of the manual rate. A plan is now being formed by which employers will receive the benefit of an early credit on basis of inspection and experience by a central inspection rating bureau. Such bureau will be composed of the various insurance carriers in this State, and will be under the immediate supervision of this department.

With the reductions as above indicated, the gross premium shown by manual rates will be subject to a reduction of approximately 50 per cent. Employers securing the benefits of above reductions will have their premiums practically cut in half. It is confidently expected that the work of inspections and merit rating will be completed by September 1, 1914.

The State fund has announced that it will operate on a premium basis which will be 8.27 per cent. below the minimum rates fixed by the New York insurance department for stock and mutual companies. The fund will co-operate with the new rating bureau, if it is finally organized, but will not agree to abide by the results of the inspections in making credits on rates, preferring, no doubt, to rely on its own "underwriting judgment." Some attractive literature has been prepared and sent out to employers throughout the State.

R. Douglass Boyd, of Gloversville, has written an interesting comment on the situation, a part of which we print, as follows:

Withdrawal from Fund. Any employer may, upon complying with Subdivision 2 or 3 of Section 50 of this chapter withdraw from the fund by turning in his insurance contract for cancellation, provided he is not in arrears for premiums due the fund and has given to the commission written notice of his intention to withdraw within thirty days before the expiration of

Digitized by Google

the period for which he has elected to insure in the fund; provided that in case any employer so withdraws, his liability to assessments shall, notwithstanding such withdrawal, continue for one year after the date of such withdrawal as against all liabilities for such compensation accruing prior to such withdrawal.

A CAREFULLY HIDDEN JOKER

is brought to light. Back in Section 53 the employer by paying premiums into the State fund is thereby freed from all liability for any claim at the hands of those entitled to compensation, but about fifty sections further on, hidden under an entirely foreign caption, he has imposed upon him the liability to assessments in case the fund does not have sufficient funds to pay the required compensation. The execution is excellent and is a very valuable commentary on the way of the law.

So the State fund resolves itself into a

MERE MUTUAL COMPANY,

with all the ordinary disadvantages of assessments, and the still more serious disadvantage of a situation of absolute inability to select risks, for the State fund must take all comers, from railroads to powder mills. It has, too, magnificent political possibilities. Those who are to administer the fund are political appointees with a corp of subordinate political officials who, in the very nature of things, cannot have the personal interest in the financial success of the scheme to exert that strict business economy necessary to stability, which is essential under long continued liability.

Section 94 of the law should be read carefully. There will be found a fine line of demarcation between the so-called "administration expenses" and the expense of "examination, determination and payment of claims." These latter are borne pro rata by the various insurance carriers, and the State fund's portion comes out of the premiums collected, etc.,

BUT NO PART IS BORNE BY THE STATE.

The State does pay the pure administration expense for two and one-half years, which will merely put the fund on a working basis, and will be more than offset by the higher loss ratio because of the more hazardous risks. This may perhaps be made apparent by the fact that recently I submitted to several stock companies two risks in this locality which were rejected because of such unfavorable conditions. But the State fund must accept these risks. Surely the State fund is no place for the well-protected, preferred risk, where it must share in the expense incurred because of the more hazardous risk.

(*Continued from page* 540)

Among the candidates **for Governor of California** on the Republican ticket is mentioned **William J. Dutton,** the retired president of the Fireman's Fund. Mr. Dutton has been for many years a prominent worker for public welfare, and should he consent to run, it will prove a formidable contest. Another insurance man, **Francis V. Keesling,** vice president of the San Francisco Life, has announced his candidacy for the nomination.

The opinion of the attorney-general of **Indiana** has just been given authorizing the State **fire marshal** to go beyond the local ordinances pertaining to fire prevention, and if he finds it necessary, to make further provisions and regulations. This interpretation of the fire marshal law gives the fire marshal increased powers and will strengthen the work there. The decision further remarks that it is the duty of the department to make regulations.

The annual **outing and games of the Home** of New York were held last Saturday at College Point. The highest score in the bowling contest, made by Graham De Rossett, brought a walrus traveling bag presented by President E G. Snow. Vice President F. C. Buswell gave a similar prize for the half mile race and scarf pins were given for the relay race winners and the bowling team by Vice Presidents Tyner and Ludlum.

The **Illinois State Board** is sending invitations to the annual meeting at the Highland, Delavan Lake, Wisconsin, June 23 and 24. The organization will be addressed on Tuesday afternoon by Assistant Manager B. L. West, of the Insurance Company of North America, and also by W. G. Sanderson on sprinkler business. Baseball and aquatic sports and a "Home Office" minstrel sketch will furnish diversions.

A recent fire in the Cummins Station at Nashville, Tenn., a large sprinkler warehouse containing over $1,000,000 in value, was extinguished by firemen with a hose following the **failure of the sprinklers** to operate. The dry-pipe valve was out of order, and a later test showed three of the valves in the same condition. This is an illustration of the necessity of more frequent inspections of such installations.

The **Boston Board,** at a special meeting Thursday, adopted the Eastern Union plan with slight modifications, to be effective September 1. The plan agrees with the recent change in the constitution regarding underwriters' agencies. The executive committee will review the short schedule on apartment houses, stores, dwelling and miscellaneous frame risks, which have been unprofitable in some cases.

The contemplated application of the Chicago firm of **Marsh & McLennan** for a license **in Michigan** to do business as a corporation is expected to bring about another situation similar to that in Colorado, where the firm was refused a license, enjoined the department and the case is now in court. The Michigan department has taken a decided stand against brokers and outside agencies.

"Individual carelessness" is the cause of most of the fires **in Kansas,** according to the report of the fire marshal for May. The total loss that month was $183,156. Of this number, 95 fires were in dwellings and 33 in barns, 128 fires in private premises with loss of over $80,000. Private premises cannot be inspected like mercantiles and should have close attention from the owners, he urges.

The latest bulletin from the **Kansas** State fire marshal's office gives the **May fire loss** as $183,156, covering 207 fires. Individual carelessness is given as the cause for most of the fires of known origin. During May the insurance loss was $98,049. Buildings numbering 379 were inspected during the month. Dwellings furnished 95 of the fires, with a total loss of $61,958.

The **high loss ratio** at Sioux City, Ia., has caused the withdrawal of several companies, and in consequence a new building code is being drafted there. The mayor attributes much of the loss to carelessness and indifference. One concern stored fifteen carloads of fireworks in vacant rooms in a hotel because it did not want the hazard on its own premises.

The **New York Fire Insurance Exchange** has reduced rates on manufacturers' floaters, 20 per cent. limit, to 3½ per cent. from 6 per cent. Ten per cent. limit floaters have been reduced from 4½ per cent. to 3 per cent. There has been sharp competition for the past year on clothing floaters, marine companies writing some of it on transit forms.

The United States marshal took charge this week of President **Percy B. Sullivan** of the Assured's National Mutual Fire of Decatur, Ill. He is under indictment, charged with using the mails to defraud. The charge is based on circulation of the company's statement, claiming a surplus of $648,643, which the insurance department claims is false.

At **Dawson, Minnesota,** agents and property holders are attempting to force fire insurance companies to pay glass damage

Digitized by Google

resulting from a recent explosion. A few companies are said to have paid the loss, and this has brought down a flood of claims of companies who will uphold the fire policy in not covering such claims.

The **West Virginia Association of Local Fire Agents** has issued a strong call for the annual meeting, which will be held at Martinsburg, June 18. The letter of Secretary W. S. Lindamood states that many matters of importance will be brought before the meeting, which is the fifteenth annual gathering of the organization.

The home office figures of the **Liverpool and London and Globe** show that the company's income the past year exceeded $25,000,000. This is the high-water mark so far. The fire department had an income of $15,682,940, with a loss ratio of 53.72 and an expense ratio of 34.82.

The **new dwelling schedule** will shortly be tried out in Chicago and will probably make a reduction there. It is based on the "merit plan," and is the uniform schedule which the rating experts have been working on for a year past for general application throughout the country.

Fires caused by militant suffragettes have cost some of the English home offices heavily so far this year and last. Several companies have paid over $100,000 on this account. Underwriters favor severe measures in dealing with such criminals.

A **new agency** has been formed **at Boston** by the partnership of H. B. Alden and Joseph W. Russell, who have recently been with Dewick & Flanders. The firm represents the New Jersey and Millers' National, and is styled Alden & Russell.

The **Mississippi Insurance Bulletin** is the name of a publication to appear on June 15, issued by the Mississippi insurance department. It will resemble the Alabama bulletin somewhat and will be devoted chiefly to local matters.

The Mississippi insurance department is sending letters to all fire companies in the State, informing them that if they operate an **underwriters agency** they will have to pay the same taxes and fees as the parent company.

The Illinois department will issue its **ruling on underwriters'** agencies about June 15. Reports from Chicago indicate that Superintendent Potts contemplates asking for legislation restricting companies to net lines.

The **Texas Fire Insurance Commission** has replied to the request of the city of Dallas for a reduction in its key rate by outlining things necessary to be done in order to secure the credit requested.

The special fire insurance **legislative commission in North Carolina** will resume the taking of evidence on June 15, at which time a number of prominent fire underwriters will appear and give testimony.

The **conference committee** of the Union and the Western Insurance Bureau will appoint a **special agent** at the next meeting to do field work for the committee, particularly adjusting agency questions.

The **Wisconsin State insurance fund** is hard hit again by damage to the property of the State Board of Agriculture at the State Fair Grounds from a wind storm recently, amounting to about $35,000.

The **Ætna of Hartford** has closed the home office for to-day, Saturday, and is holding its fifth annual outing at Fenwick. A large time is being enjoyed by the entire force, including officers.

Membership in the Western Union has been applied for by General Agents F. W. Bowers and F. E. Spoerer, of the Connecticut Fire's Western department at the home office.

The insurance **on the Woolworth stores** has been obtained by Johnson & Higgins, the policies being written with the 80 per cent. coinsurance clause and 5 per cent. exemption.

The **fire loss of Mississippi** has been very heavy for the past three months, the ratio being over 81 per cent. Underwriters in that State are very blue over the outlook.

The directors of the **New Jersey Fire** held a meeting on Thursday afternoon and discussed Western conditions with General Agent J. W. Robertson of Chicago.

The **Southern Tornado Association** held its annual meeting Tuesday and elected Henry E. Rees, president; J. E. Lopez, vice president, and W. L. Dennis, secretary.

The semi-annual meeting of the **Western Insurance Bureau** will be held Tuesday and Wednesday, October 20 and 21, at White Sulphur Springs, W. Va.

The time of filing **up-State schedules** of rates by non-board companies in New York has been extended to July 1 by the insurance department.

The **Newark Fire** expects to occupy its new addition by July 1. This will afford twice the floor space that is now available.

The annual meeting of the **Michigan Local Agents' Association** will be held August 5 and 6 at Grand Rapids.

South Dakota has licensed the **Svea Fire and Life** to write fire insurance.

North Dakota local agents will meet at Williston July 1 and 2.

Life Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

June 16-19—Modern Woodmen of America at Toledo, O.
June 24-29—Fidelity Mutual Life, agency convention at Atlantic City, N. J.
July 3-4—Georgia Life Insurers Association at Atlanta, Ga.
July 14-15—Northwestern Mutual Life agents annual meeting at Milwaukee.
July 27-30—Life Underwriters Association of Canada at Halifax, N. S.
August 9-12—North American Life $100,000 Club at Atlantic City and New York.
August 17-19—National Fraternal Congress of America at Niagara Falls.
September 8-11—Agency clubs, Equitable Life Assurance Society at Cape May, N. J.
September 15-17—National Association of Life Underwriters at Cincinnati, O.
September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.
September 21-26—Third International Congress on Diseases of Occupation at Vienna.
September ——New York Life $200,000 Club at Colorado Springs, Col.
October 7-10—American Life Convention at Dallas, Tex.
——National Association of Mutual Life Underwriters at Chicago, Ill.

Digitized by Google

An intimation that the **Prudential** might not feel bound to remain in the city of Newark if it does not receive fair treatment at the hands of the appraisers in the **mutualization proceedings** was made by Thomas N. McCarter, counsel for the Fidelity Trust Company, which owns the controlling stock interest in the company, at the hearing of arguments of counsel by the appraisers on Tuesday. Just as final adjournment was about to be taken Richard V. Lindabury, attorney for the company, said to the appraisers that in case of a foolish or wasteful figure being fixed upon the directors of the company would not accept it. He said the directors might be turned out of office, but they "would not turn their backs and, holding the bag open, allow the Fidelity or any set of men to put their hands in, and they will do their duty, not permitting any person or body to dictate their duty to them." In replying Mr. McCarter expressed considerable indignation, and said, as reported in the Newark *Star:*

Mr. Lane has told us what the Legislature might do and what it will not permit us to do, but the sacred rights of property have not yet been invaded in this State.

The stock of the Prudential Company has a reasonable value and can pay to its owners a proper profit. The rights of the stockholders to their profits should not be invaded and I intend to see that they are not.

If the appraisers, the courts or the Legislature in this State seek to invade this right, there may be other places to which it can be removed. The stockholders of this company must receive a sufficient profit on their investment, and I shall see that they do so.

The **American Life Convention** now numbers 104 companies and its membership is domiciled in 32 States of the Union, all west of New Jersey. Of the 104 companies, only 16 show a volume of business under $5,000,000. More than half the companies now have $10,000,000 and upward of insurance in force. Last year there were 42 companies having $10,000,000 or more in volume. Eight companies have stepped forward into the $10,000,000 class and two $10,000,000 companies have recently been admitted; 88 companies have $5,000,000 or more in force, whereas last year the number was 74, showing that 14 companies have stepped into the $5,000,000 plane, leaving 16 in the class below $5,000,000 as against 26 in that class in 1912; 16 companies have over $30,000,000 at risk. In the $50,000,000 or better class there are 7 companies.

The **Mutual Benefit Club** of Newark, composed of employees of the home office of the Mutual Benefit, held its closing meeting of the season at the Essex Club on Monday. It was an informal dinner, at which Alfred A. Drew, superintendent of agencies, gave a splendid talk on how to increase efficiency, and he gave the members this snappy motto, "The spirit of cooperation is the keynote of success in this business." William Winton, assistant superintendent of agencies, also spoke about unique methods of securing a payment when the application is signed and also how to increase the size of the policy.

At the meeting of the **Association of Life Insurance Presidents** last week Friday afternoon, which was in progress when this paper went to press, the following **resolution** was adopted after listening to the address by Dr. Dublin, printed in our last issue:

Recognizing the great economic value of accurate and systematic morbidity reports, this Association endorses the underlying principle of the proposed law, and hereby refers the subject-matter of the address together with such proposed law, to its health committee for further consideration.

Multiplying Your Income, or How to Sell Life Insurance, is the title of a new book just received from the Spectator Company. It was written by William T. Nash, who is the author of numerous books on life insurance topics, and contains 115 pages of practical helps for the life insurance solicitor, written in easy manner, and which should be of much assistance in procuring business. It is appropriately illustrated and sells at from 75 cents to $1.25 per single copy, according to binding.

The New York insurance department announces the return of **Charles Hughes** as actuary, to succeed J. H. Woodward, resigned, and **Harwood Ryan** as associate actuary, succeeding Professor A. W. Whitney, resigned. Mr. Hughes was formerly chief examiner of casualty companies and Mr. Ryan left the actuarial department of the department a few months ago to go with the Travelers. Both are well liked in New York insurance circles.

Life underwriters in **Virginia** are talking about a **State Insurance Congress** in Richmond for the purpose of promoting interest in the Cincinnati meeting of the National Association of Life Underwriters next September. A committee has been appointed by the Richmond Association of Life Underwriters to confer with committees from other parts of the State. It is likely that Richmond will be a strong bidder for the 1916 convention.

At the eleventh annual meeting of the **State Mutual Life General Agents' Association** in Detroit this week the following officers were elected for the ensuing year: President, John J. Kelly, St. Louis; vice president, E. H. Carmack, Chicago; secretary-treasurer, Charles R. Gantz, Baltimore; member of the executive committee for three years, Charles K. Brust, Pittsburgh. Agents from twenty-five States were in attendance.

The **Kansas Life** has secured the necessary stock subscription amounting to $250,000, and it will begin to write business at once in Kansas. A session was held recently in celebration of the completion of the sale of stock. The following are the officers: President, Charles W. Barnes, formerly insurance superintendent of Kansas; vice presidents, Thomas H. Bridges, Albert T. Reid; secretary-treasurer, William H. Eastman.

The **twenty-first anniversary** of the establishment of the **Illinois Life** will be celebrated in September this year, and the $75,000,000 mark set by the company at the annual convention of agents at the Hotel McAlpin last fall is likely to be reached, judging from the May record, when business totaling nearly $3,500,000 was written. The annual agency convention this year will be held September 21.

Internal differences in the **Royal Life of Chicago** are hindering the company's advancement in Ohio and Kentucky, and the branch offices in those States have been closed for the present. President Alfred Clover says that a superintendent who was let out recently is causing the trouble. The weekly debit is now over $1,500, and as soon as the debit warrants, salaried collectors will be employed.

The Equitable Life is **trying out a new plan** for fixing maximum renewal commissions, which have always heretofore been based upon the volume of business written, regardless of its class. Hereafter the Equitable will use the volume of premiums as the basis, resulting in a differentiation in favor of the agents who are producing the higher grades of business.

A note from **Dr. W. A. Fricke,** who has resigned his connection with the Mutual Liability Company of Wausau, brings the information that he withdrew from that company because it had grown so large that it interfered with his work with the Great Northern Life, and in order to avoid an undue strain on his health decided to give up one company.

Digitized by Google

It is expected that the attendance at the annual meeting of the **National Association of Life Underwriters** at Cincinnati will be unusually large this year. The Cincinnati association has requested companies not to call meetings of their representatives during the convention, but to utilize the Friday and Saturday following for that purpose.

In reply to the mandamus proceedings brought against Chief Clerk Hawes, of the Modern Woodmen of America, by insurgents from Illinois and other States, Mr. Hawes says that he has **no authority to decide contests** and determine the status of contending delegations to the head camp. These, he says, the head camp itself must pass upon.

The **Prudential appraisers** were in session Tuesday and Wednesday trying to arrive at something definite so that they could make their **report.** "In about ten days we hope to be able to give out a report," said Senator James Smith, Jr., to a representative of THE WEEKLY UNDERWRITER when asked when a report could be expected.

Among the speakers on the programme of the Halifax Convention of the **Life Underwriters' Association of Canada,** July 27 to 30, are Ex-President W. H. Taft; Vice President George T. Wilson, of the Equitable Life; President E. J. Clark, of the National Association of Life Underwriters, and Hugh Chalmers, of Detroit.

A suit based on a Missouri decree that the paid-up values of a life policy shall be fixed by the laws of the State in which the policy was signed rather than by the laws of the State in which the insured lives was **won** this week in the Federal Supreme Court **by the New York Life,** which opposed the Missouri ruling.

The **New South Life of Shreveport** has filed its charter with the Louisiana insurance department. It is proposed to have $750,000 capital and $250,000 surplus. The officers are as follows: President, Charles A. Robertson; vice president, Charmer M. Wilson; secretary, Harold O. Harrowood; treasurer, George S. Northcut.

The **resignation of E. C. Cooper** as insurance commissioner of California to become president of the Great Republic Life of Los Angeles is announced. No successor has as yet been appointed by Governor Johnson. Mr. Cooper will succeed General Adna R. Chaffee as president of the life company on July 1.

The annual report of the **Insurance Clerks' Mutual Benefit Association,** made by E. M. Thorburn this week, shows that in ten years the association has nearly trebled its membership and income and has doubled its gross assets. The association now has 1,695 members and the average age is 38.69.

A **celebration** of the opening of the New York offices of the Fidelity Mutual Life was held last Friday, at which President Walter Le Mar Talbot was a guest and speaker. Manager Frederick A. Wallis presided and introduced many brokers and agents to the new president.

Insurance commissioners are **active in the political field** this year. Commissioner Preus of Minnesota is a candidate for State auditor, Superintendent Revelle of Missouri is a candidate for Congress and Auditor Howard of Nebraska is also a candidate for Congress.

A Brooklyn preacher, Rev. Joseph W. Stewart, was arrested June 2 on complaint of the insurance department on charges of placing insurance in the Alpha Beneficial Association, a non-admitted concern. He was held last Saturday under bail for trial.

The Prudential advertising and publicity departments, which have been conducted jointly by E. M. Baright, are to be broken up into two separate departments, with Harvey Thomas, lately postmaster at Atlantic City, in charge of the latter.

The insurgent members of the Modern Woodmen in Wisconsin, according to Insurance Commissioner Ekern, are **supporting the uniform fraternal law** in that State.

The Pioneer Life of America, of Kansas City, has voted **to reduce its capital** from $200,000 to $100,000.

Casualty Insurance—Surety Bonding.

Dates ahead. The following announcements have been made regarding coming conventions:

July 16-17—Southern Casualty and Surety Conference at Signal Mountain Inn, Chattanooga, Tenn.

August 20-21—American Association of Accident Underwriters at Niagara Falls, Ont.

September ——Brooklyn Safety Exhibit.

September 9-11—Detroit Conference at Hotel Shelburne, Atlantic City.

September 9-11—National Mutual Union at Hotel Shelburne, Atlantic City.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16-18—International Claim Association at Hotel Chamberlin, Old Point Comfort, Va.

September 22-25—International Association of Casualty and Surety Underwriters joint convention with the National Association of Casualty and Surety agents at Greenbrier Hotel, White Sulphur Springs, West Virginia.

The Massachusetts insurance department has completed an **examination of the Massachusetts Employees' Insurance Association** for the entire period since its organization on July 1, 1912, to the end of February, 1914. During this period of twenty months the association's premium income was $1,378,606, and it also received $30,960 as interest on investments and $3,071 as interest on bank accounts, all of which, with some minor items, gave it a total income of $1,412,923. Its total disbursements were $589,836. The report shows total admitted assets of $826,409, and the total liabilities were $597,688, made up as follows: Claim reserve, $211,323; unearned premiums, $314,370; adjusting (estimated), $1,000; unpaid bills, $2,147; taxes accrued, $11,179; dividends apportioned to policyholders, $57,666, leaving a net surplus of $228,720. The report gives the following analysis of losses and expenses incurred, also dividends and surplus:

			Percentage of earned premium.
LOSSES.			
Losses incurred	$426,370	40.06	40.06
EXPENSES.			
Investigation and adjusting	$21,876	2.06	
Home office salaries, including directors' fees, not including salaries of adjusting or accident prevention departments	103,284	9.71	
Accident prevention	34,324	3.23	
Rent and light	7,070	.66	
Legal	3,638	.34	
Printing and stationery	11,440	1.08	
Postage, telephone and telegraph	5,367	.50	
Furniture and fixtures	5,776	.54	
Traveling	4,446	.42	
Office sundries	2,104	.20	
Consulting actuary's fees and expenses	2,297	.21	
Miscellaneous	5,968	.56	
Taxes	18,386	1.73	
Advertising	3,889	.37	21.61

Digitized by Google

DIVIDENDS.			
Dividends	$216,904	*20.38	20.38
SURPLUS.			
Surplus	$191,081	*17.95	17.95
Total earned premiums	1,064,235	100.00	100.00
Unearned premiums	314,370		
Net written	$1,378,606		
Net surplus of association made up as follows:			
From earned premiums	191,081		
Add interest received and accrued and profit and loss items	43,914		
	$234,995		
Deduct non-admitted assets	6,274		
Net surplus	$228,720		

*It should be borne in mind that this is a percentage of the total earned premiums, a considerable portion of which have not yet received dividends, as the policies have not yet expired. The general subscribers of the association are included in Groups I and II, in which the average dividends paid on expired policies were 35.7 and 27.5 per cent., respectively.

The **constitutionality** of the New Jersey employers' liability act of 1911 is **involved** in a case to be argued before the Court of Errors and Appeals of that State at the June term, which will open at Trenton next Tuesday. The case is that of the Newark District Telegraph Company vs. Mrs. Lizzie A. Sexton, upon a writ of certiorari to review a judgment in favor of Mrs. Sexton. Her husband, Floyd Sexton, as will be remembered, was killed July 4, 1911, the day the act in question took effect. Mrs. Sexton brought suit in the Essex county court for damages under the new act, and was given a verdict of compensation at the rate of $7.27 a week for three hundred weeks. The company obtained a writ of certiorari to review the judgment, and the chief ground upon which it carried the case to the Supreme Court was that Section 11 of the act, under which the suit was brought, is unconstitutional. The Supreme Court upheld the constitutionality of the section and affirmed the judgment in favor of Mrs. Sexton. The company appealed the case to the Court of Errors and Appeals, and it was argued at the March term, this year. No decision could be rendered, however, because two of the judges died and two others were ill, an unprecedented situation in the New Jersey judiciary. The appeal had to be reargued, therefore, and is on the June term calendar for this purpose.

The *Insurance Field* this week makes the following **caustic comment** on the workmen's compensation situation in New York:

A new idea is imported via New York. It has been old and familiar in Bedlam and country groceries for scores of years, but New York proclaims it officially. In answer to the prediction that workmen's compensation under the new State fund law will be merely co-operative mutual insurance and no better, the manager of the fund naïvely says: "The rates of the State will be made with a view to absolute adequacy, and in no event will the commission resort to assessments upon policyholders to make up for unexpected losses." Then, how will the unexpected losses be made up? By taxation upon the general public? The making of absolutely adequate rates is a dream of pink cheese with lace trimmings. If they are so high as to be absolutely adequate under all circumstances the private companies will compete the eyes out of the State fund. If they are not that high there is either no absolute assurance, or there must be assessments or a State appropriation for the deficit. The new wrinkle is to be tried of preventing private competition by making one set of rates for private companies and another for the State fund. The private companies will yet be able to beat that handicap in the long run to the best risks by issuing policies that cover unemployed time, leaving the riff-raff of risks to the State fund. The latter has no agents to pay, but there is always the devil to pay where the agency system is not behind insurance with its widely scattered and unorganized atoms left to their own initiative. Watch the way of the economic transgressor in New York!

A sample of the information being promulgated to the public by such newspapers as the New York *Times* on workmen's compensation is given herewith:

The form of insurance contract to be issued by the State Fund is marked by simplicity. In response to the wide demand from employers, the actual issue of these policies will be commenced within a few days. An employer securing the payment of compensation to his injured employees or their dependents by means of one of these policies thereby becomes relieved for all time from all liability for personal injuries or death under the Compensation Act. Such absolute release from liability on the part of the employer can be obtained in this way only. In the case of policies issued by any other insurance carrier recourse may be had to the employer for payments to injured workmen and for pensions to their dependents (which in some cases extend over a lifetime) in the event of the insolvency of the carrier or its inability for any other reason to perform its contract.

In the event of the insolvency of the State fund, which has neither capital nor surplus nor even the financial backing of the State of New York in the slightest degree so far as payment of losses is concerned, to whom will recourse be had?

The **preliminary announcements** for the fourth annual convention of the International Association of Casualty and Surety Underwriters, and the second annual convention of the National Association of Casualty and Surety Agents, both of which are to be at the Greenbrier Hotel at White Sulphur Springs, West Virginia, September 22 to 25, inclusive, have been sent out this week. It is expected that a large number of both underwriters and agents will attend these conventions. The two associations will unite in at least one session, and the banquet will be a joint affair. The Greenbrier Hotel is ordinarily run upon the European plan, but special arrangements have been made for these conventions for special rates on the American plan. Accompanying the announcements are maps showing the location of the hotel and the actual scenery surrounding, and a booklet describing the hotel.

The third edition of **Casualty Interinsurance Exchanges** has been published by B. V. Hubbard, consulting actuary at Chicago. The two previous editions of the book have been very popular in Illinois, and the present edition is one which contains the entire general principle, but omitting the special questions applying only to the illegality of Illinois interinsurance laws. A note from Mr. Hubbard says that the impression that the casualty companies are backing the publication is erroneous. Mr. Hubbard's letter also says: "The insurance companies are becoming so cowardly that they do not resist unwarranted and unjust acts of such superintendents as Potts, who, if he has his way, will disrupt the business of other fire insurance companies in that both fire and casualty companies will have to fight or die, some of them seem to prefer to die."

A Cleveland dispatch says that it costs the city just about half as much to insure teachers and other employees under the State workmen's compulsory compensation act as it does all other employees, according to figures certified to the State industrial commission by County Auditor Zangerle. The city pays $59,111.64 into the State insurance fund, $29,294.72, almost half, of which is for school board employees. This is a flat rate of $1 per year upon $100 in wages. Accident insurance agents declared that this was a most **excessive rate.** The entire cost of the county to insure all public employees is $71,639.37. Of this amount $59,111.64 is for city employees. The premium paid for Lakewood employees is $1,542.10, while it costs $1,276.84 to insure East Cleveland workers. The city pays $297.07 for the insurance of public library employees.

In addition to the eleven **mutual workmen's compensation companies** incorporated in this State published in THE WEEKLY UNDERWRITER of April 4, the following other mutuals have been

Digitized by Google

organized and incorporated: Bakers' Mutual insurance company of New York; Contractors' Mutual insurance corporation; Exchange Mutual Indemnity company; Knickerbocker Mutual Liability insurance company of New York; Manufacturers' Mutual Compensation insurance company of New York; National Mutual insurance company; New York Printers and Bookbinders' Mutual insurance company; Textile Mutual insurance company, New York; Universal Mutual insurance company, Rochester; Utilities Mutual insurance company, New York.

The Comptroller of the Currency has approved the **application to organize** the First National Bank of Vian, Okla., capital $25,000, to succeed the Citizens' Bank of Vian; the Citizens' National Bank of Fort Gibson, Okla., capital $25,000, to succeed the Citizens' State Bank of Fort Gibson; and the applications to convert the Security Bank of Atwater, Atwater, Minn., into the First National Bank of Atwater, capital $25,000; the People's Bank of Springfield, Springfield, S. C., into the First National Bank of Springfield, capital $25,000; the Bank of Erwin, Tenn., into the Erwin National Bank, capital $25,000, and the Wise County Bank, Wise, Va., into the Wise County National Bank of Wise, capital, $25,000.

A request is being prepared by **President W. B. Joyce,** of the National Surety, to be sent to the various insurance departments in States where anti-discrimination laws are in effect, asking that surety companies doing business in such States be examined to see if they are cutting rates, giving rebates or paying excess commissions. President Joyce is also contemplating calling a convention of all insurance presidents in the country for the purpose of supporting the movement to secure Federal supervision of insurance. The meeting, if called, is planned for some time this summer.

For the first time in many years the active co-operation of all companies writing **plate glass insurance in New York City** has been secured, and all are now members of the Plate Glass Underwriters' Association. A new schedule of commissions has been adopted, giving 25 per cent. to brokers and 35 per cent. to agents, and the new schedule of rates previously prepared and approved was put in effect as of May 28 on new business and July 1 for renewals. The new commission rates became effective as of June 9. Agencies in Manhattan are limited to three.

Prospects for an amalgamation of the national organizations of casualty underwriters under one head are growing brighter each week, according to reports from the West and South. A meeting of the executive committee of the American Association of Accident Underwriters is scheduled for next Tuesday at Chicago to receive reports and take consideration of the matter. The Southern Casualty and Surety Conference is said to favor the proposition, although it defeated a plan to unite with the Detroit Conference last year.

The mutual workmen's compensation companies in New York have agreed upon a **reinsurance pool** plan by which single losses in excess of $25,000 and up to $200,000 will be spread around among all members. Reinsurance will be sought for losses in excess of $500,000. The plan has been approved by the New York insurance department, and the co-operation of all subsequently formed mutuals will be sought.

A **vigorous protest** against the policy to be used by the Texas Employers' Association has been filed by C. J. Verschoyle, who claims that it is nothing more than a certificate of membership and that instead of making more definite and certain the payments to employees, the intent of the law has been evaded so as to make the protection more indefinite and uncertain than ever before.

The report of the special committee of the American Society of Mechanical Engineers to prepare a standard specification for the **construction of steam boilers,** of which committee William H. Boehm, of the Fidelity and Casualty, is a member, will be given at the semi-annual meeting in St. Paul, Minn., next week. The final report will be made at the winter meeting of the society.

The business of the Pacific Surety has been **reinsured** by the Fidelity and Deposit as of July 1. The deal involves compensation premiums of about $300,000, $50,000 of plate glass premiums and $100,000 of accident and health premiums. It is expected that this will give the Baltimore company a premium income of more than $1,000,000 from the Coast in 1914.

The Ætna Life has compiled and placed in the hands of its agents and brokers a **handy booklet** of 65 pages, in which are shown the class numbers of all occupations covered or believed to be covered by the New York workmen's compensation law. It will be very useful in assisting brokers to make proper application of the manual to the risks of their clients.

The St. Louis agency of the **Hartford Accident and Indemnity** will hereafter be the Lawton-Bryne-Bruner Agency Company, which is formed by the coalition of two firms that have formerly represented the Globe Indemnity and the Maryland Casualty. The new firm will handle southeastern Missouri and southwestern Illinois for the Hartford.

The New York State Workmen's Compensation Commission has ruled that those who would adopt the **self insurance** option of the law must deposit an amount equal to premiums in the State fund for six months, the minimum being $5,000. This amount must be maintained and will not be permitted to be used in payment of claims.

The annual meeting of the **International Claim Association** will be held at the Hotel Chamberlain, Old Point Comfort, Va., Wednesday, Thursday and Friday, September 16-18. A programme of exceptional interest is being arranged.

The Maryland Casualty has **changed its decision** about writing workmen's compensation insurance in Texas and will continue. The formal approval of a participating policy for use by stock companies has changed the situation.

The **Hartford Accident and Indemnity** has secured Ralph A. Ferson, assistant manager of the accident and health department of the Columbian National Life, to be superintendent of its accident department at the home office.

Surety bonding rates in San Francisco are troublesome again. Agents of some of the companies are said to be writing at the old rates regardless of the increase promulgated two weeks ago.

The **Safety First Society** in Greater New York will seek to have an ordinance passed by the Board of Aldermen requiring operators of passenger elevators to be licensed.

The **Fidelity and Casualty** is establishing a claim department in Iowa, which will be under the care of Frank J. Comfort.

The National Fidelity and Casualty of Omaha has resigned from the **Burglary Insurance Underwriters' Association.**

Digitized by Google

Personal.

AGENCY APPOINTMENTS.

Arlington Fire: Lockwood Brothers Co., Metropolitan district agents, New York City.

Cleveland National Fire: J. Parsons Smith, sole agent for Philadelphia, Pa.

Insurance Company of North America: Edward W. Tinsley, special agent in Illinois.

New Amsterdam Casualty: W. J. Clemens, general agent for Oregon.

New World Life of Washington: James T. Baker, of Chicago, State agent in Illinois; E. C. Kelly, of Des Moines, State agent in Iowa.

Pacific Coast Casualty: Henry S. Noon, of Seattle, State agent for Washington.

Standard Accident: Robert W. Newell, State agent for Arkansas; Smith & Wallace, general agents for Memphis and Western Tennessee, succeeding E. T. Harris.

Assistant Manager Charles J. Holman of the Commercial Union has the sincere sympathy of the entire underwriting profession in the sudden death of his son, Charles D. Holman, which occurred June 4 at the Hudson Street Hospital. Mr. Holman, Jr., was a member of the staff of the Nord Deutsch. He was attacked by ptomaine poisoning late in the afternoon and called at his father's office, from where he was taken to the hospital and died at eleven that night. He was a young man, a fine personality, and had a fine future in the business. He was twenty-two years old.

Mr. Charles H. Strauss, general agent in New York for the New England Mutual Life, who had been missing from his Riverside Drive home for a week, was found deal last Friday in Lake Mohegan. Schoolboys discovered the body. A watch in one of the pockets was stopped at 8.07. That was probably last Friday night. On that evening Strauss hired a canoe on the lake and paddled away. The empty canoe was found on the opposite side of the lake.

Mr. Oscar Ising, former United States manager of the Ocean, sailed Tuesday on the *Kaiserin Auguste Victoria* for an extended tour in Europe. A farewell luncheon to him was given at the Lawyers Club by William J. Gardner, United States manager, and the heads of the departments at the American head office.

Dr. William Stoddart, for thirty-four years connected with the New York Life, died May 31, while absent from his duties as a member of the Classification Committee at the home office, on a short trip for his health. He was sixty-two years of age, and death resulted from apoplexy.

Mr. Harrold W. Letton, United States manager of the Prussian National, Zurich Accident and Netherlands Fire, has returned from Europe, where he visited the home offices of his companies besides touring Germany, France and Switzerland.

Mr. Charles W. Barnes, formerly insurance superintendent of Kansas, has been elected president of the Kansas Life. Thomas H. Bridges is vice president and William H. Eastman, secretary and treasurer.

Special Agent E. W. Grigg of the Fidelity Phenix in Virginia has had North Carolina added to his territory and South Carolina has been given to N. H. Clarkson, also representing the Continental.

Mr. T. C. Sherman, assistant to Dr. W. H. Gabagan, superintendent of the accident and health department of the Globe Indemnity, has resigned as of July 1, to go with the Columbian National Life.

Special Agent L. H. Platt of the Fidelity Phenix has been transferred from the Carolinas to Arkansas, to take the place of A. P. Hawkins, who comes to the home office as examiner.

Mr. Clarence R. Dinwiddie has been appointed adjuster of losses by the General Accident in Kentucky and Southern Indiana under T. Grant Slaughter, manager for that territory.

Mr. Thomas M. Purtell, formerly fire marshal of Wisconsin, has become an examiner for the Wisconsin insurance department.

Miscellany.

NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

Meeting of Executive and Other Committees at the Hotel Manhattan—Adoption of Programme for Annual Meeting.

The executive committee, committee on blanks, committee on fire rates and classifications and committee on standard fire policies of the National Convention of Insurance Commissioners met at the Hotel Manhattan on Wednesday. The important action taken was the adoption of the report of the committee on blanks, as prepared at its recent meeting in this city, with the additional instruction from the executive committee to change the wording on Page 7 of the fire blank, so as to avoid the omission of fire premiums on automobiles; the adoption of the programme for the Asheville meeting; the adoption of a resolution allowing the fraternals another year before requiring them to acquaint every member individually with the condition of the society as to its certificate valuations, and the consideration of the fire rating question in executive session followed by the announcement that another meeting of the fire rating committee will be held in July, at which company representatives will be present.

There were in attendance the following: H. L. Ekern, Wisconsin, chairman of the executive committee; H. D. Appleton, chairman, committee on blanks; H. Pierson Hammond, Connecticut; Charles F. Nesbit, District of Columbia; Frank H. Hardison, Massachusetts; John T. Winship, Michigan; Charles G. Revelle, Missouri; Samuel Deutschberger, Daniel F. Gordon, N. B. Hadley, New York; James R. Young, North Carolina; Samuel McCulloch, Pennsylvania; F. H. McMaster, South Carolina; Joseph Button, Virginia.

Among the visitors were James V. Barry, assistant secretary of the Metropolitan Life; Andrew Gates, of the Hartford Publicity Bureau; Major Brinkerhoff, of the Association of Life Insurance Presidents, and George Dyre Eldridge, representing the fraternals. There were also present Chairman E. F. Goltra, and George D. Clayton and C. D. Goodrum of the Missouri Insurance Commission, who came to consult with the fife rating committee of the commissioners in order to add to their information prior to beginning to prepare their report for the Missouri Legislature. It was said by Superintendent Revelle, who is also a member of the commission, that the preparation of the report would be begun on August 20.

The committee listened to the request of Mr. Eldridge that the language of Section 23a of the uniform fraternals law be so construed as to permit the fraternals to wait one more year before sending to their members the report of the valuation of certificates required by the law. Later in the day the following resolution was adopted:

Resolved, That Section 23a of the uniform fraternals bill is ambiguous in language as to the time when the societies shall send the first report of valuation to their members, and to give the societies the benefit of any doubt it is recommended that it should be construed to that the first report of valution to be furnished by societies to their members is that of the end of the year 1914, but that the committee favors the furnishing by the societies of the report of valution as of the end of the year 1913, and that such valuation be published in the reports of the various departments issued during 1914.

The consideration of the programme for the annual meeting at Asheville, N. C., September 15-18, occupied the balance of the morning session. Col. Young announced that the headquarters of the convention would be at Grove Park Inn, and that business sessions of the convention would be held morning and evening, leaving the afternoons for entertainment. The rates granted for the meeting are from $5 to $7 per day, American plan, and Col. Young will be pleased to make reservations on request. The programme is as follows:

TUESDAY MORNING, SEPTEMBER 15.

Opening exercises.
Addresses of welcome: Governor Locke Craig, Mayor of Asheville, James H. Southgate.
Response: Vice-President J. S. Darst.
Call of States.
Address of President J. R. Young.
Call of Committees.

TUESDAY EVENING.

"Compulsory Local Investments." Speakers: Col. T. M. Henry, Mississippi; Fitz Hugh McMaster, South Carolina.
"Should the State Encourage the Formation of New Companies?" Speakers: W. W. Collier, Texas; E. H. Deavitt, Vermont.

Digitized by Google

WEDNESDAY MORNING.

"Should We Abandon the American Restrictions Upon the Classes of Insurance Written (a) by direct writing companies, (b) by reinsurance companies?" Speakers: Charles G. Revelle, Missouri; O. K. Stabelin, South Dakota.
Discussion.
Executive Session.

WEDNESDAY EVENING.

"Acquisition Cost of Fire Insurance," Alvin E. Hebert, Louisiana.
"Cost of Miscellaneous Insurance," Saul Epsteen, Colorado.
"Participating and Non-participating Insurance by Stock and Fire and Casualty Companies." Speakers: Robert M. Small, Ohio; A. L. Welch, Oklahoma.
Discussion.

THURSDAY MORNING.

"Workmen's Compensation Results in Eighteen Months in Massachusetts and Suggestions Drawn Therefrom," Frank H. Hardison, Massachusetts. Experience on workmen's compensation in other States since last annual meeting, by representatives of the insurance departments of Idaho, Michigan, New York and Connecticut, and industrial commissioners from Illinois, New Jersey, Ohio and Wisconsin.

THURSDAY EVENING.

"Sphere of Activity of an Insurance Department." Speakers: Robert J. Merrill, New Hampshire; Charles Johnson, Pennsylvania; J. S. Darst, West Virginia; F. F. VanValkenberg, Idaho.
Discussion.
Executive Session.

FRIDAY MORNING.

"Combination Policies." Speakers: Frank Hasbrouck, New York; W. C. Taylor, North Dakota; E. C. Cooper, California.
"Utilitarianism of Insurance," Rufus M. Potts, Illinois.
"Fire Insurance and Prevention of Fire Waste," Charles F. Nesbit, District of Columbia.
Executive Session.
Election of Officers.

At the beginning of the afternoon session it was learned that no fire insurance underwriters had appeared, on account of being in attendance at Louisville and Illinois conferences, and it was voted to go into executive session on the fire rate situation. This session continued late in the afternoon, and was taken up again in the evening. Mr. Goltra addressed the commissioners on Missouri matters, and General Manager Mallalieu, of the National Board of Fire Underwriters, explained the absence of representatives of the companies. Mr. Appleton explained the provisions and working of the New York law regarding the supervision of fire insurance rates, and the fire rating committee adjourned late Wednesday evening.

The committee on standard policy held no hearing and took no definite action.

With regard to blanks for the reporting of the valuation of certificates of the fraternals it was voted to refer the matter to the committee on blanks with a request for a report at the Asheville meeting.

Insurance Legislation.

Louisiana.

BATON ROUGE, June 10.—House Bill 150, the workmen's compensation bill, which has passed the House, is identical with Senate Bill 41. There is every prospect that the Senate will also pass the bill. It is regarded by insurance companies as a reasonable measure.

House Bill 302 (Hart), also on the subject of workmen's compensation, is not likely to leave the committee.

Bills introduced:

House Bill 263 (Abry), to require surety bonding companies to settle losses promptly, specifying a penalty for failure to pay within sixty days after due proofs of losses have been furnished, requiring the provisions of the bill to be considered as a part of the contract of surety, and declaring all conditions in surety bonds in violation of the provisions of the act void. Referred to judiciary committee.

Massachusetts.

BOSTON, June 10.—House Bill 2524, relative to payments to employees for personal injuries, has been engrossed by the House. An amendment by Mr. Carr was rejected.

The Massachusetts Legislature is not expected to adjourn until the middle of July.

United States Congress.

WASHINGTON, June 11.—A bill introduced this week by Representative Carter is practically identical with that of Mr. Jones last week denying the use of the mails to fire insurance companies for soliciting business in States where they are unauthorized. The Carter bill would extend this denial to insurance companies of all kinds.

Phoenix Assurance Company, Ltd.
OF LONDON
(Established 1782)
FIRE
Use and Occupancy Sprinkler Leakage Tornado
HEAD OFFICE FOR UNITED STATES
100 William St., New York
Western Department
175 W. Jackson Boulevard
CHICAGO, ILL.
Pacific Coast Department
343 Sansome St.
SAN FRANCISCO, CAL.

THE COMPANY WITH THE PYRAMID
44 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS
ASSETS SURPLUS
NEW HAMPSHIRE
FIRE INSURANCE CO.
3,303,575.24 972,327.26
3,367,026.27 1,003,253.03
4,069,140.67 1,252,267.06
4,310,836.19 1,257,058.25
4,500,404.12 1,322,978.14
4,861,149.81 1,408,681.54
5,196,017.46 1,510,064.23
5,553,270.70 1,578,330.82
5,725,809.34 1,654,504.81
6,097,887.20 1,700,761.60
6,250,526.89 1,703,433.67
TOTAL LIABILITIES $2,797,093.22
POLICY HOLDERS' SURPLUS $3,453,433.67

Digitized by Google

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:
Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
R. H. COLCOCK, Jr., Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

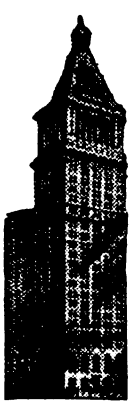
R. P. FABJ, Manager.
THOS. H. ANDERSON, Assistant Manager.

"IT PAYS TO WORK FOR

THE UNION CENTRAL"

LIFE INSURANCE CO.

OF CINCINNATI, O.



Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE

76 WILLIAM STREET,

New York City.

Do you know that

Security Mutual Life Insurance Company

BINGHAMTON, N. Y.

FREDRIC W. JENKINS, President

has GOOD THINGS to offer GOOD MEN. If not, learn about them by addressing for particulars

C. H. JACKSON, Supt. of Agencies

REPRESENT A WESTERN COMPANY

The Reserve Loan Life Insurance Co.

INDIANAPOLIS

OPERATES UNDER THE

COMPULSORY DEPOSIT LAW of Indiana

RELIABLE AGENTS WANTED

Address: W. K. BELLIS, Secretary

ILLINOIS LIFE

INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

10 SOUTH LA SALLE AT MADISON STREET

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - - $100,000.00

SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance

Commercial and Industrial Departments

Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

The Connecticut Mutual Life Insurance Company

President JOHN M. TAYLOR, Hartford, Ct.

Insurance in force, 91663 Policies for $218,304,660

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policy-holders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1913.....	$287,412,080.6
Total returned to Policy-holders, as above noted, in same period...	296,862,956.7
Excess of amount returned.....	9,420,876.1

NOW BEING DELIVERED

THE RECORD OF

FIRE INSURANCE BY STATES

The Standard Authority on Fire Insurance Results, Classified by States

The information contained in this record is classified by States for each and every company, and includes:

Risks written . . . . 1880 to 1912 inclusive, and 1913.

Premiums received . 1880 to 1912 inclusive, and 1913.

Losses paid . . . . . 1880 to 1912 inclusive, and 1913.

Losses incurred in 1913.

Loss Ratio for 34 years and for 1913.

Average rate of premiums in each State.

Average loss ratio for each State for 34 years.

Year each company entered each State, and number of years each company has transacted business therein.

PRICE, $15.00 Per Copy

A FEW EXTRA COPIES AVAILABLE

ORDER NOW

SAMPLE PAGES ON REQUEST

THE WEEKLY UNDERWRITER 80 MAIDEN LANE NEW YORK, N. Y.

Digitized by Google

CHARTERED 1811

NEWARK FIRE INSURANCE COMPANY

NEWARK, N. J.

STATEMENT JANUARY 1, 1914

Assets, . . . $2,009,892.00
Capital, ... 500,000.00
Surplus to Policy Holders, . . . 1,108,033.00

[FIRE]

German American Insurance Company

New York

STATEMENT JANUARY 1, 1914

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA

INCORPORATED 1851

W. R. BROCK, President — W. B. MEIKLE, Vice President and General Manager

UNITED STATES STATEMENT, January 1st, 1914

Assets	$2,578,163.43
Surplus in United States	1,053,888.67

British America Assurance Co.,

INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA

FIRE INSURANCE

UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W.R. BROCK, Pres. W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.

PHŒNIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE

HEAD OFFICE FOR THE UNITED STATES

100 WILLIAM STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

YOUR CARD

as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction

The Mutual Life Insurance Company

OF NEW YORK

Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost

For Terms to Producing Agents, address

GEORGE T. DEXTER, 2d Vice-President

34 Nassau Street - - - New York, N. Y.

AMERICAN CENTRAL LIFE INSURANCE COMPANY

INDIANAPOLIS, IND.
Established 1899

HEBERT M. WOOLLEN
PRESIDENT

GERMANIA FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the

BERKSHIRE LIFE INSURANCE COMPANY

OF PITTSFIELD, MASS.

INC. 1851

New policies with modern provisions
Attractive Literature

W. D. WYMAN, President — W. S. WELD, Supt. of Agencies

GOOD SERVICE

is the foundation upon which to erect a successful business.

Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.

Specimens of Life, Accident or Health policies cheerfully furnished.

For agencies address

The Columbian National Life Insurance Co.

BOSTON, MASS.

Arthur E. Childs, Pres. — Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

1825. THE 1914.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,926,908.82
Surplus	2,326,053.39
Total January 1, 1914	$8,002,962.21

R. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

**Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.**

A BIG FIRST QUARTER!

January, February and March each far exceeded in new business the same months in 1913. And this first quarter rolled up the biggest total of any first quarter in the company's history. Reasons: Up-to-date policy contracts, low net cost, company's reputation, satisfied and prosperous representatives. Have you met the Massachusetts Mutual in *competition?* Would you like to meet it *as one of its representatives?*

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST
SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers,
Middle Department.....434 Walnut St., Philadelphia

Digitized by Google

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

FOUNDED 1792

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE — MARINE
RENT — INLAND
AUTOMOBILE
TOURIST — MOTORBOAT
LEASEHOLD — PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS — HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

The William H. Kenzel Company
23 LIBERTY STREET, NEW YORK

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

The REPUBLIC UNDERWRITERS
Of Dallas, Texas

The COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

Digitized by Google

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

DETERMINATION AND ENERGY
never before encountered such OPPORTUNITIES for
LIVE AGENTS
as are offered by the Policy Contracts
OF THE
John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON
General Agent, Metropolitan District
St. Paul Building, 220 Broadway, New York, N. Y.

$590,000,000
Founded by JOHN F. DRYDEN — THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR — Pioneer of Industrial Insurance in America
is the amount paid policyholders since organization, plus amount held at interest to their credit—a wonderful story of thrift and self-help.
Agents Wanted
THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

Purely Mutual — The — Chartered 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
INSURANCE IN FORCE, $1,304,385,035
SATISFIED POLICYHOLDERS to the number of 13,073 (out of 45,862 persons applying) purchased additional insurance in 1913.
NORTHWESTERN POLICIES are easiest to sell and stay longest in force.
AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.
INCOME INSURANCE
CORPORATION INSURANCE
PARTNERSHIP INSURANCE
It Will Pay You to Investigate Before Selecting Your Company
Write to H. F. NORRIS, Superintendent of Agencies
MILWAUKEE, WISCONSIN
LARGE "DIVIDENDS"
LOW COST
SERVICE POLICY
P539

Digitized by Google

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. XC. NEW YORK, SATURDAY, JUNE 20, 1914. No. 25.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 80 Maiden Lane, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

L. ALEXANDER MACK, President and Treasurer.
GEORGE W. OLNEY, Vice President and Editor.
WILFRED W. MACK, 2d Vice President and Associate Editor.
MOTT A. BROOKS, Secretary and Managing Editor.
CHARLES A. JENNEY, Chairman Board of Directors.

WORLD'S INSURANCE CONGRESS, SAN FRANCISCO, 1915

MONOPOLISTIC State insurance of any kind is the one thing the companies do not want to see, since the decree that establishes it is also the death warrant of the companies. It is obviously as correct to refrain from furnishing food for this propaganda as to fight it when it appears. This is something to reflect upon in connection with the present workmen's compensation situation in New York State. The State fund, inadequate and wholly unworthy as a serviceable institution, is here. It is the belief of men of experience that its imperfections will develop themselves to such an extent as will cause it to collapse. There appears to be a disposition in some quarters to attack the State fund and smash it at the outset, and it is well to consider whether this is wise. Suppose this be accomplished and its routed defenders thereupon return to the fray under the banner of monopolistic State insurance. The political demagogues were able to convince New York legislators last year, regardless of truth, that the casualty companies were not to be exclusively trusted with workmen's compensation funds, and who knows how easily they might impress upon them the greater fallacy, pointing to the ruin of the State fund as an evidence of corporate wickedness. To be sure, from the standpoint of service to the people, the State fund should be eliminated from the situation as quickly as possible. But that is something the political demagogue does not include in his curriculum, and, therefore, he cannot find insurance useful. It does not afford a stepping-stone to personal power and glory except when attacked. It would seem as if the companies might better turn to and eliminate the demagogue, and leave the State fund to its own destruction. Perhaps to allow a famine for workmen's compensation insurance to arise in New York would have as good an effect as the recent famines in fire insurance in Missouri and Kentucky have had. In those States the politicians were guillotined quickly enough when their real character was displayed to business men. It is not the people who are dissatisfied with insurance service.

KENTUCKY salutes the flag! The principle of an inherent right to a reasonable profit is the banner which the insurance interests set up in that State and it has been recognized. The next step is co-operation for the fulfillment of the pledges given in the agreement. That is up to the dominant political party in the State. "Harsh criticism and unwise reference to past conditions should be avoided," the insurance committee recommends. That is the true spirit of victory which rests with the right. But the results in "The dark and bloody ground" for the politicians who have made all the trouble for their constituents will be as certain and sure as the course of nature and should be read and pondered by officials of every State in the Union. History in this line repeats as regularly and effectively as one of those deady automatic pistols, so horrificly advertised in the popular magazines. First there was Kansas. The governor who signed the rating bill there which caused so much trouble; who remembers his name now? In Missouri, only a year ago the ravings of Revelle and the mandates of Major made the firmament tremble, so they thought. But after the hurried conference at Washington, between the heads of the party in power and the State leaders, the roarings ceased most suddenly, peace was restored and only sweet, low sounds have come since from that demesne. They were playing for political preferment. They played the wrong game; the one which brought their own people down upon them. They struck at the foundations of business and credit, thinking they were fighting an inflated fungus fattening upon the State. No one realizes the mistake now more than they. The same realization came swift and strong upon the Kentucky politicians within the past few weeks. They could not sleep o' nights. They themselves did more to bring about the truce than any other force within the State. They were wise in the end, but even this will not save them from the ultimate result. It will not be long before the name of Laffoon will convey no serious connotation to a Kentuckian. The insurance official of a Western State, who recently warned insurance men and companies against going into politics, must have had some specter in his own garret, whose tread disturbed him in the night watches. His warning was misdirected. There has never been any necessity for insurance companies to take such a course. An awakened and educated public can do all the political work that is necessary to protect insurance companies, upon whom they rely and in whom they have had confidence for years. As for agents going into politics, Kentucky offers a very potent argument in its favor, for that class of its citizens is the one that has really felt the hardship of the recent disturbance. They bore their difficulties with Spartan fortitude, paid their balances with exemplary promptness and completeness under the circumstances, and backed up their principles and principals with spirit and good faith. They have a big

Digitized by Google

kick against the men who caused their losses and no doubt will deliver it in their own effective way.

THE author of the malignant bill in the House of Representatives of Congress, extending the prohibition of the use of the mails by fire insurance companies in States in which they do not transact business, to all insurance companies, is an insurance agent—Representative C. D. Carter, of Oklahoma. The original bill in the Senate, which applied the ban to fire insurance companies only, was by a Washington State man, a lawyer. The House bill provides that no insurance company of any kind shall use the United States mail service or any branch thereof for procuring or effecting a policy of insurance upon persons or property situated in any State or Territory where, by the laws, it is not permitted to transact business. The penalty is $500 fine for each offense, or imprisonment for a year, or both. That the United States should step in to assist a State—which is quite able to take care of itself in this respect—in punishing a non-admitted company is quite unnecessary; and the motive of such proposed legislation must be ill-will in general to insurance companies. The incentive, therefore, of the insurance agent who fathers the House bill in Congress is worth inquiry. Perhaps the official assertion, made at a National Board meeting, that 60 per cent. of bills antagonistic to fire insurance companies introduced in State legislatures come from agents, may throw some light on the question. The explanation made by the National Board official was that the hostile agent believed that fire insurance companies make such large profits that they have no reason to oppose the demand of agents for larger commissions. Of course, only the most ignorant of rural agents can entertain such a feeling—or they may be part agents, who know more about the other part than they do of insurance. The fact that the fire insurance business as a whole secures but poor profit from underwriting is a fact notorious among the well informed. According to the report of the president of the National Board at the last annual meeting, it was but 1.37 per cent. in 1913. This subject was forcefully taken up by Mr. Charles W. Gerwig, president of the Allegheny County Board, at the annual meeting of the Pennsylvania Association of Local Fire Insurance Agents last week. He showed that there is a wide misconception of the conditions which govern the financial construction of fire insurance companies, and he illustrated it this way:

The insurance commissioner of the State made a statement a short time ago that he insisted upon a reduction of the premiums of $2,400,000, and he based it on certain figures in his office, which were all right, as far as they went, in that they covered everything excepting what the company owed! What kind of a business would that be, where a man makes his calculations in that way, leaving out his obligations altogether? He left out the absolute liability, that was a fixed liability and must be taken care of. And yet the insurance commissioner of the State of Illinois insisted upon a reduction of the premiums of that State $2,400,000, without taking into consideration the immense liability of the companies doing business in that State. He did not realize that if they stopped business to-day, it would be years before the last dollar of that liability would be paid out. He took no consideration of that at all. How many agents understand that? I am not criticising the agents. I am simply talking about a thing that is a common fault not only with the agents, but unfortunately with a good many insurance managers, men who know very little sometimes about the fundamental principles of the insurance business—and the insurance business is no trifling business. Many agents believe that all they need to do is to go to a man and ask him how much insurance he wants, give him the rate and that is the end of it. But that is not an insurance man. My idea of an insurance man is that he ought to know all about the business from one end of it to the other, and if he is only a broker, he ought to be able to answer the question of the assured on any matter pertaining to the insurance business, whether it is from the company's end or from the agent's end, or from the broker's end. But how many of them can do it?

The remedy obviously is the enlightenment of the ordinary agent, and this can best be effected by the organizations of both agents and companies. There must be co-operation in the work between the two.

Fire Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

June 24-25—Ohio Farmers Western Department Agency convention at Delevan Lake, Wis.

August 5-6—Michigan Association of Local Fire Insurance Agents at Grand Rapids.

August 18-21—National Association of Insurance Agents at Hotel Radisson, Minneapolis, Minn.

September 11-12—Fire Marshal's Association of North America at Grove Park Inn, Asheville, N. C.

September 15-18—National Convention of Insurance Commissioners at Grove Park Inn, Asheville, N. C.

September 16—Western Union at Hotel Traymore, Atlantic City, N. J.

September 22-24—National Association of Mutual Insurance Companies and Associations, at Virginia Hotel, Columbus, O.

October 7-8—Fire Underwriters' Association of the Northwest at Chicago.

October 7-8—Tennessee Underwriters' Association at Memphis.

October 20-21—Western Insurance Bureau, Greenbrier Hotel, White Sulphur Springs, W. Va.

October 20-23—International Association of Fire Engineers at Hotel Grunewald, New Orleans, La.

At a meeting of the executive committee of the **National Board of Fire Underwriters** on Friday the preparation of the proposed plan for reporting and classifying fire losses was referred back to the actuarial committee, which will meet July 7 to begin work on it. A date for the special meeting of the board will be fixed later.

The expected **ruling** of Superintendent Potts, of the Illinois insurance department, **against underwriters' agencies** was issued this week. Mr. Potts considers it his duty to take action on the subject, and directs that proceedings be instituted in the courts of the State against all companies issuing such policies to compel them to conform to the laws. The effect of the plan as operated at present, says Mr. Potts, is injurious, based on fictitious entities, and it is prejudicial to the insurance public, and indefensible in law or business practice. The policies contain possibilities, he says, of deception and misleading policyholders. such as permitting an owner requesting two policies in different companies to be given one policy in one company and another in an underwriters, backed by the same corporation. From the evidence presented at the hearing he says the insurance business and the public welfare are unfavorably affected in various other ways. In part he says:

It is apt to bring about excessive liability of "parent" companies in congested districts of great cities; it is sometimes used as a method by which an insurance company writes policies otherwise than through its local agent,—commonly called "overhead" writing; it allows, in effect, several organizations to do business on one capital. If each "annex" entity were a corporation, the statutory capital would have to be put up for each, but the "underwriters" plan evades this necessity. Consequently, new capital is discouraged from entering the insurance field, for it cannot compete on equal terms, with going insurance organizations, operating practically without capital. Such competition tends also to eliminate the smaller companies. The total result is the present rapid centralization of the insurance business in a few great corporations.

Superintendent Potts's conclusions from which he has decided to fight underwriters in the courts are as follows:

(1) The "underwriters" plan, when several companies united in one policy, amounts, in substance and effect, to a partnership between corporations, which is not permitted by law.

Digitized by Google

(2) The unmistakable tendency of the "underwriters" plan being the discouragement of new capital from entering the insurance field, the absorption of smaller companies and their replacement by "annexes" with a consequent centralization of the insurance business; its general effect is toward the creation of monopoly, which is contrary to public policy, the common law, and the statutes of this State.

(3) The agents of said "underwriters" violate the law because they do not take out, as such, the licenses required of all insurance agents in this State, under the different sections of the statutes relating to different conditions, etc., thus, making such agents liable to prosecution for violating these sections of the statute, as well as under the general criminal laws of this State, for representing fictitious entities.

(4) If it should be admitted, as sometimes claimed, that the "underwriters" are merely departments of the "parent" company then their use amounts to such "parent" company doing business under other than its true corporate name, which is contrary to the criminal laws of this State. It is the evident intention of the statute that all corporations shall advertise and do business only in the names given in their charters.

(5) The numerous possibilities of deception in "underwriters" policies, beginning with the very name, as well as the actual violations of the statutes against deceit arising through them, render them contrary to the spirit and letter of our laws. Insurance contracts, being gotten up by the insurer, the insured having no voice in shaping the terms thereof, they are, in law, to be most strongly construed against the maker. Judged by this legal rule, "underwriter" policies are, in spirit as well as in practical working, obnoxious alike to good faith and the rules of positive law.

(6) Such "underwriters," although they function for all practical purposes as insurance corporations, do not fulfill, or attempt to fulfill, the requirements of law relating to insurance companies doing business in the State of Illinois. As at present conducted, there is no supervision or control over their operations, as contemplated by statute, in relation to all insurance business. Legally, they are mere fictions. There is no permission of law in Illinois for insurance companies to do business by such method. It is illegal, amounting, in substance, to doing business as an insurance corporation, without having been incorporated, which is a criminal offense. Companies so conducting business exceed their corporate powers, such "underwriter" plan not being mentioned in or contemplated by the charter of any insurance company doing business in this State, in any form whatever.

Companies interested in the ruling are preparing to fight Mr. Potts in the course he has taken.

The figures of the **home office statement of the Rossia** insurance company for 1913 have been received and they present a remarkable showing when compared with the figures for the previous year. The total assets increased from $52,454,676 to $56,346,761. The character of investments has been somewhat changed, the financiers of the company having disposed of some of their securities in order to invest more in real estate and first mortgages, which constitute the best investment on the continent. The following comparison of the assets of the company on December 31, 1913, with those of December 31, 1912, is enlightening:

	1913.	1912.
Total assets	$56,746,361	$52,454,676
Government and railroad securities, municipal bonds, etc.	15,875,312	17,930,604
Real estate, house property unencumbered	15,470,057	13,274,211
Cash	9,012,375	7,455,282
First mortgages on real estate	4,851,964	3,723,564
Loans on policies issued by the life insurance department	5,229,683	4,782,603
Other assets	6,306,970	5,288,412

The capital stock remains at $2,600,000. Premium reserves increased from $37,603,408 to $40,387,200 and the reserve for claims in suspense from $3,435,493 to $4,218,446. A special contingency reserve of $1,227,641 is maintained. The profit for 1913 was $781,745, as compared with $624,637 for 1912, which is concrete evidence of careful underwriting based on good judgment. The United States business of this powerful company is capably administered by Carl Sturhahn and his able lieutenant, B. N. Carvalho.

Iowa agents in annual session at Des Moines on Friday of last week changed the name of the association to admit casualty men, the official title now being **Iowa Association of Insurance Agents.** Workmen's compensation was the chief topic of discussion in view of the new law effective July 1. C. H. Van Campen, of Minneapolis, representing the London Guarantee, spoke strongly against State insurance and pointed out that in Germany the law usually supposed to be a model had produced a condition of insolvency in the State fund, and with increasing assessments it will take until 1950 to make it solvent. The following officers were elected: President, Howard P. Guiney, Sioux City; vice presidents, Beverly B. Hobbs, Keokuk; F. W. Coates, Dubuque; Milo R. Whipple, Cedar Rapids; Painter Knox, Council Bluffs; Herbert E. Weatherwax, Waterloo; G. I. Prettyman, Mason City; J. E. Hull, Ottumwa; Wayland C. Ballard, Des Moines; G. H. Ficke, Davenport; Stephen A. Swisher, Iowa City; secretary-treasurer, Frank H. Binder, Council Bluffs. Executive committee—H. P. Guiney, Sioux City; John H. Ruhl, Davenport; Lew Benedict, Cedar Rapids; John O. Jefferies, Clinton; John P. Montrose, Des Moines; H. A. Heaslip, Keokuk; B. F. Kauffman, Des Moines.

New officers elected and committees appointed by the **Pennsylvania Association of Local Fire Agents** last week were as follows: Charles F. Humrich, of Carlyle, president; Leo Schlandecker, of Erie, first vice president; W. L. Nickelson, of Altoona, second vice president; W. L. Clark, of Pittsburgh, third vice president; H. M. Burd, of Harrisburg, secretary-treasurer. Executive committee: Chairman, H. A. Logue, of Pittsburgh; Charles B. Lutz, of Bloomsburg; Bruce Kime, of Ridgewood; W. H. Wrenn, of Louistown, and Jacob Gellert, of Pottsville. Legislative committee: J. H. Musser, of Harrisburg; G. W. Billman, of Reading, and George H. Burns, of Kittanning. Delegates to the National Convention: J. M. Larkin, of Port Allegheny; H. A. Logue, of Pittsburgh; W. H. Wrenn, of Louistown; A. P. Dare, J. H. Musser, Frank R. Lieb, of Harrisburg; F. L. Hitchcock, of Scranton; G. W. Billman, of Reading, and Jacob Gellert, of Pottsville. Grievance committee: John W. Doncaster, of Rochester; H. A. Logue, of Pittsburgh, and George H. Burns, of Kittanning. Committee on changing date of meeting: H. A. Logue, of Pittsburgh; Frank R. Lieb, and H. M. Burd, of Harrisburg.

The **increase in the use of electricity** is interesting to fire insurance interests, and figures show that steady increases in gross earnings and in energy output are being consistently registered in practically every State in the Union. The *Electrical World* has made public some estimates of the rate of growth of the central station business for March, 1914, compared with March, 1913, for various groups of States, based upon actual official returns from nearly one hundred companies, which represent between them something over one-half of the entire light and power industry. These data show the following rates of increase on (1) revenue from the sale of energy and (2) total energy output of stations in kilowatt-hours: Middle Atlantic States, 6.1 per cent. and 7.5 per cent.; South Atlantic, 11.3 and 22.8; Central, 11.2 and 12.8; New England, 7.1 and 7.7. For the whole country it is closely estimated that the gross revenue from the sale of energy increased from $29,500,000 in March, 1913, to $31,913,000 in March, 1914, and the total energy output from 1,142,000,000 kilowatt-hours to 1,257,250,000.

The New York Fire Insurance Exchange rules covering **consequential loss on cold storage** stores have been changed to provide that liability for loss from interruption of refrigeration caused by fire is deemed to be included in the stock rate of any building containing a source of refrigeration within itself, and no exclusion clause and no clause specifically assuming such liability is required on policies or policy items covering stock in such a building. Policies or policy items covering separately stock or stock and machinery, in any building to which

Digitized by Google

refrigeration is furnished from outside, must either include or exclude such liability, by the use respectively of cold storage clause No. 1 or cold storage clause No. 2, and separate rates for each condition must be promulgated. Blanket policies on contents of several buildings, one or more of which contain a source of the refrigeration which is furnished to the others or any of them, need no clause, but special rates must be promulgated for such blanket policies.

A bold statement that some of the towns in Nebraska need a "fire insurance trust" was made to the annual gathering of the **Nebraska Association of Local Fire and Casualty Insurance Agents** of that State at Lincoln, Friday of last week. It came not from an insurance man, as the association has been purely social for some years, but from former fire commissioner C. H. Clancey. He said discrimination is running riot in the State, but the association took no position on that matter, as the anti-compact law there has effectively tied the hands of insurance interests for some time past. New officers were elected as follows: President, Gus Becher, Columbus; vice presidents, O. W. Palm, Lincoln; F. H. Richards, Fremont; J. W. Robinson, Omaha; secretary, T. B. Martin, Omaha; executive committee, W. A. White, York; C. J. Bachovitch, Fairbury; Joseph Buck, Grand Island; Joseph Barker, Omaha; Paul Colson, Omaha; William Margett, Hastings; Fred Heller, Nebraska City.

The **Hanover Fire** will on September 1 make a change in the arrangement of its **Southeastern field,** appointing Fred C. Calkins, now of Atlanta, as general agent for Florida, with headquarters at Jacksonville. Mr. Calkins has for sixteen years been one of the leading field men of the South, and will resign from the service of the Northern of London on the above date. He has made an excellent record for the company he is leaving and his knowledge and experience qualify him thoroughly to join the general agency ranks. He began in the business with the South-Eastern Uuderwriters Association and was in the field for the Fireman's Fund before joining the staff of the Northern. He has had charge of Georgia, Florida, Louisiana, Mississippi, Alabama and South Carolina for the Northern. The rest of the Hanover's Southeastern field will continue in charge of Special Agent F. A. McCarroll, of Atlanta.

An interesting comment on **fire prevention in Canada** is made in the report of the insurance committee on the Canadian Manufacturers' Association, in part as follows:

> The encouragement of such work, and arranging for its extension to municipalities, is one of the duties properly attaching to the office of fire marshal, the creation of which has been persistently urged by the Manufacturers' Association on all the provinces. The legislatures of Manitoba and Saskatchewan were the first to move. This year Ontario has fallen into line by enacting a measure which confers upon the officer to be appointed, and upon his accredited deputies, the right of entry upon shop, warehouse, store and other hazardous premises for the purpose of inspection, with full power to order the correction of such faulty conditions as may be discovered. One of the recommendations of the committee is that before this meeting closes a resolution be adopted strongly urging similar action upon all provincial governments that so far have failed to respond. Mainly as a result of the educational campaign initiated by the association two years ago, fire prevention associations have now been organized in Nova Scotia, Montreal, Ontario, Manitoba and possibly other places.

The **Michigan Underwriters' Association** held a fine annual meeting at St. Joseph on Wednesday. The subject of making the new forms in Michigan mandatory was brought up, it being understood that if the majority of companies agreed to it, the insurance department would take that position, but the matter was deferred, as the forms are not yet out. An interesting address on Rents and Use and Occupancy was made by Deputy Assistant Manager H. R. Loudon, of the Liverpool and London and Globe, and Assistant Manager George H. Moore, of the same company, spoke on conditions in the field. He said that never in his long experience had rates and forms and co-operation been so utterly lacking in the West. He spoke strongly for the legalization of rating bureaus and maintained that fire insurance companies are entitled to a fair profit.

The Dudley-Tuttle contingent lost **control of the First National** Fire of Washington as a result of the recent election. The count of 120,000 votes was finished on Wednesday, and the victory went to Robert J. Wynne, former postmaster general, and consul general to London. He comes into control by a majority of 80,000 votes. It is probable that Mr. Wynne will be elected president. The following new directors have been selected: Robert J. Wynne, Fred T. Dubois, Geoffrey Creyke, Daniel U. Chisholm, John Lewis Smith, George E. Livingston, Gustave E. Rausch and James S. Easby-Smith, all of this city, and Chester Tomson, of New Jersey; H. M. Warrenfelt, of Maryland; Frank C. Dinges, of Virginia; Thomas R. Hamer, of Idaho; John P. Collins, of Missouri; H. G. Barton, of Florida, and George M. Edsall, of New York.

The **Georgia Local Underwriters' Association** at its annual meeting in Macon was entertained at an old-fashioned barbecue by Manager E. S. Wilson, of the Fireman's Fund. The meeting discussed the recent Augusta rate war and deplored the action of the companies, but stated that the rule of the Augusta Board was not approved by the State or National association. It was recommended that the Augusta Board reorganize. The right of local agents to organize having been questioned, the Georgia association authorized its committees to act to protect their interests in case of necessity. F. W. Cole, of Atlanta, was elected president; W. L. Wilson, Savannah, and E. B. Harrold, Macon, vice presidents, C. A. Rauschenberg, Jr., Atlanta, secretary and treasurer.

The **New York Underwriters Agency,** Managers A. and J. H. Stoddart, have notified their Illinois agents not to worry about the ruling of Superintendent Potts on underwriters, as far as their office is concerned. A decision of the Illinois courts in 1898, in the case of Superintendent J. B. Van Cleave vs. Hartford Fire, gave endorsement to the New York Underwriters Agency. In this case, copies of which decision have been sent to Illinois agents by the New York Underwriters, Van Cleave was enjoined from interfering with the Hartford Fire in using this form of policy. So fire insurance history continues to repeat itself.

Objection is being made to the **new plan in Boston** on the grounds that commission limits have not been fixed, that business from sub-districts must go through Boston offices, that metropolitan agencies are to receive 20 and 25 per cent. when they report direct to home offices, and 30 and 35 per cent. plus contingent if they report to Boston offices. The continuance of the suburban agent is said to be the worst feature of the new plan. The point is also raised that no penalties are fixed for failure to observe the rules. Business located outside of Boston and written by Boston agents is not restricted as to commissions.

The **Marquette National Fire** of Chicago had a financing agreement with the La Salle Street Trust and Savings Bank, which was closed last week, for the sale of its outstanding stock. E. W. Zinzer, the organizer of the Marquette, is a director in the bank and C. B. Munday is a director of the Marquette. The Marquette had just purchased bonds preparatory to applying for its license and therefore had little money in the bank at the time of its closing. The fire company's loss, if any, will be small.

(*Continued on page* 563)

Digitized by Google

COMPANIES RATIFY KENTUCKY AGREEMENT.

Resume Business At Once Following Temporary Injunction and Full Report by Special Company Committee.

The following report of a special committee on the Kentucky situation was unanimously adopted at a special meeting Tuesday morning, June 16, in New York City, attended by some sixty companies, Vice President Henry E. Rees, of the Ætna, in the chair. The report was read by United States Manager E. G. Richards, of the North British and Mercantile. President P. L. Hoadley, of the American of Newark, moved its adoption and the motion for the adoption of its recommendations was made by United States Manager Henry W. Eaton, of the Liverpool and London and Globe. On motion of United States Manager George W. Babb, of the Northern, a rising vote of thanks was tendered the committee.

Following ratification of the agreements, the committee expressed its opinion that relations with the Kentucky Actuarial Bureau be at once resumed. Agents in the State were notified by companies to start writing business pending the final adjudication of the case.

NEW YORK, June 16, 1914.

To the Fire insurance companies which recently suspended business in or retired from Kentucky:

The undersigned committee, appointed at your meeting held in New York April 17, to confer with the officials of that State regarding legislation which had created conditions intolerable to fire insurance, made its first report immediately following a meeting with the State officials in Louisville, April 22. Of the unsatisfactory and unsuccessful results of that meeting you were then advised, but it was self-evident even then that further negotiations must eventually occur. Since then various attempts have been made by our Kentucky representatives as well as business organizations and credit associations to solve the difficulties in order that the fire insurance companies might be induced to resume business in the State.

Your committee has steadfastly insisted that exemption from the operation of the Glenn-Greene amendments to the Zorn State Insurance Board law, which converted that original statute into a fully fledged State rate-making ordinance, and satisfactory assurances of the ultimate repeal of both were essential to resumption and that any settlement must be based upon those conditions; likewise due recognition of the inherent right of the seller of insurance indemnity to receive a reasonable profit upon its Kentucky underwriting. Also that just insurance legislation, equally fair to insurer and insured, could best be initiated to the appointment of a commission of three competent men, whose duty it should be to investigate present conditions and causes of fire waste in the State and prepare a code of just laws for presentation to the next regular session of the General Assembly for adoption.

These essential prerequisites for resumption have been kept steadily in view by your committee.

Conditions have been carefully studied and were generally well understood by the business men of Kentucky. To this fact may be attributed the decision of the Manufacturers' and Shippers' Association of that State to undertake to bring together once more the parties in interest with the hope that a settlement might be reached. Thereupon a committee of representative business men of the State were appointed, which extended an invitation to the State officials and our committee to meet with them at the Seelbach Hotel, Louisville, on Tuesday, June 9, at 11 o'clock, which invitation was accepted.

Previous to that conference a meeting was held with a committee of the Louisville Board of Underwriters, from whom a suggested basis of settlement was received, which proved to be much in line with our own convictions.

At the conference with the State officials no definite propositions for a compromise were presented by the business men's committee, hence negotiations were resumed by our committee with the State officials, which continued throughout Tuesday and Wednesday, resulting in a final agreement (the text of which here follows), to which the business men's committee gave hearty and unanimous approval:

> Memorandum of understanding and agreement made between the Governor, Auditor, Attorney-General and the State Insurance Board, of the State of Kentucky, the representatives of certain fire insurance companies and the business men's committee of the State of Kentucky, at Louisville, June 10, 1914.

1. If the business men's committee immediately institute suit to test the constitutionality of the Glenn-Greene amendments to the Zorn law, then it is agreed that the State Insurance Board shall not enforce the provisions of said amendments until the Court of Appeals of Kentucky, or the Supreme Court of the United States in the event of an appeal to that court, has finally passed upon the constitutionality of said amendments. If a temporary restraining order is granted in said suit, such companies as desire shall resume business in Kentucky, but the companies shall not be prevented from withdrawing from the State if the said restraining order should be set aside. The State Insurance Board will not incur any expenses under the Glenn-Greene amendments until the final disposition of the suit herein provided for.

2. It is agreed that the governor shall forthwith appoint a commission of three (3) citizens of the State of Kentucky, whose duty it shall be to make an exhaustive study of the present insurance laws of Kentucky and other States, and to formulate and present to the next regular session of the general assembly a model fire insurance code of such laws as shall be equally just to the people of the State and the insurance companies with its recommendations that existing statutes be repealed and that such code shall be substituted therefor.

The personnel of such commission shall consist of Mr....., selected by the State insurance board, Mr. H. P. Barrett, selected by the committee of business men, parties hereto, and Mr. George L. Payne, selected by the National Board of Fire Underwriters. In case of the death or resignation of any member of said commission, the vacancy shall be filled by the party making the selection of his predecessor.

Such commission shall receive for their services ten dollars ($10.00) per day for each day they are actually engaged and their actual necessary traveling and other expenses, provided the total amount shall not exceed ten thousand dollars ($10.000 00), which is to be paid by the insurance companies through such medium as they may select.

3. It is agreed that dwelling rates shall be adjusted in accordance with Schedule AA, hereto attached.

Digitized by Google

It is agreed that the Tobacco Schedule shall be completed in such manner as to effect an average reduction of the rate upon Loose-Leaf Tobacco Sales Houses of about twenty-five (25) per cent.; said Tobacco Schedule to be completed on or about August 1, 1914.

The actuarial bureau may file such schedule as in the judgment of the companies may be necessary to place any class of risk upon a basis which will yield not to exceed a reasonable profit and the State insurance board agrees thereupon to approve and publish the schedules so filed.

4. It is agreed that the actuarial bureau will furnish the State insurance board with memoranda of remediable defects in all risks hereafter rated, but the State insurance board will refrain from calling upon the companies or the actuarial bureau for copies of surveys or classification figures,—it being understood, however, that the survey on any individual risk will be furnished on request for the purpose of testing the accuracy of the application of the schedule.

5. It is agreed that all companies which have withdrawn or suspended in the State since the passage of the Glenn-Green amendments may resume business without prejudice or penalty, and in such cases license shall be again issued upon request without repayment of license fees, provided that companies whose licenses have been cancelled at their request shall be reinstated upon payment of the fees required by statute for re-entrance.

6. It is agreed that reduction in rates shall be made wherever such reduction can be brought about by the action of the State insurance board in causing improvements to be made in the risk or improvements in the fire protection of cities and towns, according to existing standards, thus reducing the standards.

7. The parties hereto agree to give their full approval and active support to the understanding and agreement herein expressed, and will recommend the adoption of such laws as will be just to the people of Kentucky and fair to the insurance companies as a substitute for all existing fire insurance laws.

8. The business men's committee and the industrial and commercial organizations of the commonwealth of Kentucky, individually and collectively, and the corporations, firms and individuals comprehended therein, represented by said committee, will, and do hereby, guarantee that the terms of this understanding, and agreement shall be fully carried out in every particular, and that absolute equity shall be accorded every fire insurance company resuming business upon the faith of this agreement, and that this agreement and understanding shall be carried out in good faith in letter and in spirit. And to that end, the business men of Kentucky and the industrial and commercial organizations, represented by the business men's committee, within the commonwealth, pledge their sacred honor.

State officials—James B. McCreary, Governor of Kentucky; H. M. Bosworth, Auditor; James Garnett, Attorney-General; M. C. Clay, Insurance Commissioner; N. O. Gray,; Ruby Laffoon, Chairman. (The last three named composing the State Insurance Board.)

Business Men's Committee—C. M. Bullitt, Chairman; Chas. J. Davis, Covington; S. P. Browning, Maysville; O. M. Larkin, Newport; Wm. Heyburn, Louisville; Paul J. Marrs, Henderson; Alfred Brandeis, Louisville; W. C. Montgomery, Elizabethtown.

Companies' Committee—E. G. Richards, Chairman; David Rumsey, Neal Bassett, A. G. Dugan, S. Y. Tupper.

Immediately upon the signing of the agreement with the State officials and the citizens' committee, it was evident that the first and most important step in the proposed programme was the institution of the suit to determine the validity of the Greene-Glenn law and the possibility of obtaining an injunction restraining the State Insurance Board and the insurance commissioer from putting into operation the provisions of the act of 1914.

Accordingly we invited a conference with the citizens' committee, and suggested this thought to them, and found them entirely willing to co-operate in any way possible, but also found that they had no specific authority from the organization they represented for the institution of any suit and no fund from which could be paid the necessary expense of the litigation.

It was thereupon agreed that the citizens' committee as individual citizens and taxpayers of Kentucky should permit their names to be used as plaintiffs in any suit which might be commenced, and that your committee should select the attorneys who should conduct the suit, pay the necessary expense and have control of the litigation until its termination.

We selected Mr. Robert G. Gordon, of Louisville, and directed him to prepare the necessary petition in the name of the citizens' committee as plaintiffs, and filed the same at Frankfort, where the suit must be instituted as soon as possible.

This was done, and Thursday afternoon our attorneys proceeded to Frankfort, having prepared the petition and other necessary papers, secured acceptance of service, of notice of filing of petition, and application for an injunction from M. C. Clay, as secretary of State Insurance Board and insurance commissioner, and on Friday morning, June 12, presented the case to Hon. R. L. Stout, judge of the Franklin county Circuit Court of Paris, where he was holding a term of the Bourbon county Circuit Court.

After reaching Frankfort, Thursday, and upon consultation with the attorney-general and others, it was determined to employ Mr. Guy M. Briggs, attorney, living at Frankfort, as associate counsel with Mr. Gordon, and this was done, and Mr. Briggs and Mr. Gordon presented the petition to Judge Stout Friday morning, and a hearing was had at once.

Pursuant to the hearing, the court made an order finding the Greene-Glenn act of 1914 unconstitutional, and granting a temporary injunction restraining the State Insurance Board and the insurance commissioner from putting into effect any of the provisions of the act, the decree of the court being as follows:

FRANKLIN CIRCUIT COURT.

C. M. Bullitt, et al., Plaintiffs.
vs.
Ruby Laffoon, et. al., Defendants.

ORDER.

The plaintiffs, C. M. Bullitt, A. M. Larkin, S. P. Browning, Chas. J. Davis, Wm. Heyburn, Paul J. Marrs and Alfred Brandeis, having heretofore filed their verified petition herein, having also filed their motion herein for a temporary injunction and notice of said motion and the judge of the Franklin Circuit Court being advised, it is ordered and judged that the defendants, Ruby Laffoon, M. C. Clay and N. O. Gray, constituting the State insurance board, and M. C. Clay as insurance commissioner of the Commonwealth of Kentucky, be, and they are hereby enjoined and restrained from doing any act in execution of any of the duties sought to be imposed upon them, or any of them, by the provisions of the act of the general assembly of the Commonwealth of Kentucky entitled "An Act to amend Sections 1, 2, 4, 5, 6 and 13 of Chapter 5 of the Acts of 1912, entitled 'An act relating to fire, lightning, hail, windstorm and sprinkler leakage insurance, and to regulate and control the rates of premium thereon, and creating a State insurance board and defining powers and duties of said board,' and to further amend said Act by enacting sub-section 2-a providing that certain insurance companies, their agents and representatives, shall furnish the State insurance board certain data in their possession affecting insurance risks and rates thereon and fixing a penalty for its violation." And it is further ordered and judged that the defendant, M. C. Clay, as insurance commissioner, be, and he is hereby, enjoined and restrained from making demand and from making any attempt to collect from the insurance companies referred to in said Act all or any part of the tax sought to be imposed upon said insurance companies by Section 13 of said Act. This court being of the opinion that this Act is unconstitutional under the opinion of the Court of Appeals by Judge Carroll in the case of Board of Penitentiary Commissioners vs. Spencer, decided May 28, 1914.

This order of temporary injunction shall take effect immediately upon the execution of a bond of plaintiffs, with good surety, in the sum of one thousand dollars ($1,000.00).

Thereupon came the plaintiffs and tendered their bond, in the sum of one thousand dollars ($1,000.00) with George L. Payne as surety, and said bond so tendered is hereby approved and ordered filed.

ROBT. L. STOUT, Judge,
Franklin Circuit Court.

As the case now stands, the attorney-general may within twenty days from the date of the order move for the dissolution of the injunction, and in that event the order of the court, if an order

Digitized by Google

is made, will be appealable. If the attorney-general does not make such application, the temporary injunction will stand until some time when court is in session at Frankfort at a regular term, when motion may be made by petitioners' attorneys to have the injunction made permanent, and that order, if made, will be appealable to the Kentucky Court of Appeals.

The petition also charges as one of the reasons why the act is unconstitutional, that Section 3-a, which provides that any company shall turn over to the State Insurance Board its tariffs, inspection reports, etc., without compensation, is violative not only of the constitution of Kentucky, but of the United States, thus raising a Federal question, which, our attorneys advise, furnished sufficient ground for transferring the case to Federal jurisdiction if found necessary.

As the case now stands, the State officers are restrained by the injunction from doing anything whatever under the Greene-Glenn law, and, by their agreement, can make no attempt to enforce its provisions, if the injunction should be dissolved, until the matter has been tried and determined upon appeal to the court of last resort in Kentucky or the Federal court, should appeal be taken to that jurisdiction.

A copy of the petition and all papers filed in the injunction suit are in the hands of your committee, but are too long to be included in this report, and, except the decree, do not appear necessary.

All necessary agreements having thus been reached, which in the opinion of your committee were requisite for a resumption of business by the companies, we now recommend that every company desiring to return to the State take prompt measures at once for doing so in order that the necessities of the property owners of Kentucky for protection by fire insurance be met, and our local agents be relieved from loss through further abstention from business.

In concluding this report your committee desires to add the following suggestions: Even when the foregoing agreement has been finally consummated by the resumption of business by fire insurance companies, this episode in the history of the fire insurance business in Kentucky is by no means closed—a truce has been entered into by all parties in interest, but the foundations only are constructed upon which permanently satisfactory conditions can be built.

Concessions have been made by both sides to the controversy to reach an acceptable compromise. To make permanent the business relations thus re-established, and to secure just statutory conditions, good faith and mutual confidence must continue. A most important work has been vested in a commission of three men, who will represent the best citizenship of Kentucky. Upon their fidelity of purpose, character of work and recommendations presented by them to the next regular session of the General Assembly, and, finally, upon the reception which those recommendations receive at the hands of the lawmakers of the State, will depend the future relations between the people of Kentucky and the fire insurance interests.

We, the companies and our representatives in the State elsewhere must perform our part faithfully and well; the pledges given in the foregoing agreement are an earnest that equal co-operation will be given by the State authorities and business men.

We desire that the rights in support of which we have resisted unjust legislation shall be recognized by repeal of existing laws and upheld by other just laws no less liberal than are now on the statute books of other States, where insurance conditions are most satisfactory to public and company. We therefore call upon our field and local representatives in Kentucky to co-operate in securing a better understanding of such legislation as may be necessary to produce more nearly ideal conditions than now exist, including a reduction in the fire waste and excessive taxation, as well as consideration of other elements which enter into the cost of insurance, and to this end harsh critlcism or unwise reference to past conditions should be avoided.

This agreement, entered into by the State and its business men, for which no known precedent exists, offers an opportunity for reaching sound legislative results which will protect the inherent rights of the producer in the disposition of his products without infringing upon the interests of the consumer; an opportunity so remarkable and so timely that its value cannot be overestimated.

To these ends your committee urges upon every underwriter, whether local, field or official, his most loyal support.

All of which is respectfully submitted.

E. G. RICHARDS,
DAVID RUMSEY,
NEAL BASSETT,
A. G. DUGAN,
S. Y. TUPPER,
Committee.

FIRE INSURANCE.

(*Continued from page* 560)

The committee working on the **Insurance Federation of Pennsylvania,** now being organized, is as follows: For the fire agents—H. A. Logue, D. F. Collingwood and W. L. Clark. For the casualty agents—J. W. Henry, Wallace M. Reid and J. L. Rivolta. The objects of the Federation will be to oppose excessive taxation, to correct evil practices among agents, to co-operate with companies for sane legislation and prevent unfair and irrational compensation laws.

The New York Supreme Court, in a decision on the case of Pierce vs. Sun insurance office, handed down recently, practically prohibits the **employment of professional appraisers** by insurance companies. The law reads that a "disinterested appraiser" must be employed, and the Supreme Court construction is that a man who spends most of his time working for insurance companies as an appraiser is not "disinterested." The case may be appealed.

The Fire Underwriters Association of New York, after an existence of thirty years, has been dissolved, following the establishment of rating machinery by the companies and the New York insurance department. A general conference on rating conditions in the State was held Tuesday between representatives of the Eastern Union, the New York Exchange, the Suburban Exchange and the Underwriters Association of New York.

The **Argus Comparative Chart,** giving the premiums received and losses incurred by the fire insurance companies in the various States, is just received from the Herald-Argus Company, of Atlanta. The chart is published, as usual, in two sections, one showing the business for the Eastern and Southwestern States and Canada and the other showing the business in the Western, Pacific Coast and Southern States. Each book sells for $1 per copy.

The application of the Chicago firm of **Marsh & McLennan** to operate **in Michigan** is upon a different basis than the partnership proposition with which the Colorado insurance department took issue. In Michigan the firm has formed a Michigan corporation, incorporated through the Secretary of State's office, and plans to meet the Michigan requirements in every respect.

At the regular monthly **meeting of the Eastern Union** Thursday, the report of the Boston committee was received and adopted. The recommendation for a uniform term rule on 75 per cent. of the annual rate, for all organizations, was also

Digitized by Google

adopted. Progress was reported in securing agreements for Pittsburgh and the District of Columbia.

The growing **automobile business of the Home** of New York has made necessary an entirely separate department, which will be established July 1, in charge of S. K. Crawford. Mr. Crawford has been the underwriter for the American Automobile insurance company of St. Louis, and is well known as an expert in this line of the business.

The **Chicago local firms** of Waller, Chandler and Grey and N. J. Bennett became merged on June 11 with the old established Chicago firm of Critchell, Miller, Whitney and Barbour. The latter firm has always been a sole agency office, and representation of companies under the new arrangement will require considerable adjustment.

The municipal committee of **Charleston,** S. C., which has been investigating local **fire rates,** has recommended that steps be taken to reduce them. Charleston fire losses, they say, have been practically uniform for a number of years, and the exceptionally good record of the city they claim has not been recognized.

The **Western Union,** which was to have held its April meeting at the Hotel Traymore, Atlantic City, cannot get accommodations there or elsewhere on the seashore in that vicinity, as the Traymore is to be closed for repairs. White Sulphur Springs has been suggested as the place for the next meeting.

The **West Virginia Association of Local Insurance Agencies** had a well-attended and enthusiastic annual meeting at Martinsburg on Thursday and elected the following officers: President, C. W. Thornburg; vice presidents, H. L. Alexander and C. H. Merkel; secretary, W. S. Lindamood.

The **claim of a mortgagee** to insurance money is established by a decision by Justice Pound in Supreme Court at Buffalo, who has held that insurance collected by a receiver in bankruptcy on destroyed property is impressed with an equitable lien in favor of the mortgagee.

The **Kentucky Actuarial Bureau** has been notified to resume operations, and its staff will be reorganized as soon as possible by Manager Clem E. Wheeler. Chairman Ruby Laffoon in a public statement considers that a great victory has been won "for the people."

Announcements by Emil H. Selbach, insurance manager of a Salt Lake City real estate firm, and by F. E. Francisco, Utah manager of the West Coast Life, are that they are **not candidates** for the insurance commissionership of Utah to succeed Willard Done.

The **Kansas Supreme Court** has practically nullified the chattel mortgage clause as used in that State by a decision reaffirming a judgment against the German Alliance, in a case where the defense was violation of the clause.

The **Valley City Mutual Fire** of North Dakota has gone into receivership. It recently levied an assessment of 100 per cent., which will not meet its obligations. It could not reinsure its liabilities.

Collectors of internal revenue are getting **after the farmers'** mutual fire companies, among whom there was a misapprehension that they were exempt from the Federal income tax.

The Pacific Coast Board, which has not previously ruled on **underwriters' annexes,** has lately established a restriction limiting agencies of annexes to two in any one town.

The **Detroit Underwriters** has appointed W. B. Bierce, son of the founder of the organization, to be managing underwriter, succeeding Paul Turner, who has resigned.

The **Phoenix and the Pelican** will materially increase their scope of operations in the West, following the retirement of Manager M. F. Driscoll, of Chicago.

The Illinois Supreme Court has affirmed **sentence on Nathan Spira,** public adjuster of Chicago, for an indeterminate term, following his conviction of arson.

The **Michigan Commercial** has been added to the list of companies represented by W. L. Pettibone & Co., whose offices are in the Union building, Newark.

Indianapolis business men have at last arranged the promised quarters for the **salvage corps,** which will be located in East Pearl street.

The **St. Paul Fire and Marine** has appointed E. M. McKenna as special agent in Ohio.

Life Insurance.

Dates ahead. The following announcements have been made regarding coming conventions:

June 24-29—Fidelity Mutual Life, agency convention at Atlantic City, N. J.
July 3-4—Georgia Life Insurers Association at Atlanta, Ga.
July 14-15—Northwestern Mutual Life agents annual meeting at Milwaukee.
July 27-30—Life Underwriters Association of Canada at Halifax, N. S.
August 9-12—North American Life $100,000 Club at Atlantic City and New York.
August 17-19—National Fraternal Congress of America at International Hotel, Niagara Falls, N. Y.
September 8-11—Agency clubs, Equitable Life Assurance Society at Cape May, N. J.
September 15-17—National Association of Life Underwriters at Cincinnati, O.
September 15-18—National Convention of Insurance Commissioners at Grove Park Inn, Asheville, N. C.
September 21-26—Third International Congress on Diseases of Occupation at Vienna.
September ——New York Life $200,000 Club at Colorado Springs, Col.
October 7-10—American Life Convention at Dallas, Tex.
——National Association of Mutual Life Underwriters at Chicago, Ill.

The **Metropolitan Life** is entertaining a large company of distinguished guests at the dedication of its **new tuberculosis sanitarium** on Mount McGregor to-day. The party left on Friday afternoon and remained in Saratoga Friday night. This morning the guests proceeded to the hospital site, and the dedication exercises were scheduled to start about noon. This is the sanitarium which the company built for the free care and treatment of its own employees, both in the home office and field, and any employee having tuberculosis will be given the advantage of the latest known treatment for the disease. About seventy are already being cared for, which is the capacity of the ward now completed. Additional wards are to be built during the coming summer. Among those attending the dedication were Dr. John W. Trask, assistant surgeon general, United States Public Health Service, Washington; Dr. Abraham Jacobi, New York; Dr. Alfred Meyer, Mt. Sinai Hospital, New York; Dr.

Digitized by Google

John H. Huddleston, New York; Hon. Frank Hasbrouck, superintendent of insurance, New York; Hon. James J. Hoey, deputy superintendent of insurance, New York; Superintendent of Insurance Charles F. Nesbit, of Washington; Nelson B. Hadley, chief examiner, and Thomas F. Behan, New York State insurance department; Insurance Commissioner T. M. Henry, of Mississippi; J. N. Brenaman, insurance department of Virginia; Hon. William H. Hotchkiss, former superintendent of insurance of New York; Representative Taylor, of the 25th New York congressional district; Alexander Wilson, assistant director of the department of health and charities, Philadelphia; Bridge Commissioner F. J. H. Kracke, of New York; C. J. McCormack, president of the borough of Richmond; Robert Lynn Cox, manager of the Association of Life Insurance Presidents; Superintendent Albert H. Garvin, of the Ray Brook Sanatorium; Dr. C. S. Caverley, of the Vermont Sanatorium at Rutland; physicians from numerous hospitals and sanatoria in the eastern part of the United States and representatives of the National Civic Federation.

The annual meeting of the **American Association of Medical Examiners** will be held at the Dennis Hotel, Atlantic City, on Monday and Tuesday, June 22 and 23, at which the following programme will be given:

"Blood Pressure." J. W. Fisher, M.D., Medical Director, Northwestern Mutual Life, Milwaukee.
Discussion by Henry Wireman Cook, M.D., Medical Director, Northwestern National Life.

"The Special Value of a Few of the More Refined Methods of Diagnosis in the Rating of Impaired and Large Risks." Fred M. Hodges, M.D., Assistant Medical Director, Atlantic Life, Richmond.

"Reliable Methods of Urinalysis." C. A. McCollom, M.D., Minneapolis, Chief Examiner for Prudential Life and Mutual Benefit Life.
Discussion by Henry L. Ulrich, M.D., Minneapolis.

"Chronic Discharging Ears and Life Insurance." William Mithoefer, M.D., Instructor in Rhinology, Laryngology and Otology, College of Medicine, University of Cincinnati.

"Periodic Re-examinations." George Strobach, M.D., Editor, *Lancet-Clinic.*

The association was formed with the following objects in view: To bring about a more cordial co-operation between medical examiners and medical directors; to encourage scientific work and study by medical examiners in their particular field, and to enhance the efficiency of medical examiners. It has been supported by the leading companies, and their medical directors have signified their intention to be present. Henry Wireman Cook, M.D., who is vice president and medical director of the Northwestern National Life of Minneapolis, is president of the association. He says that a proper understanding of the duties of the medical examiner, in addition to being of obvious value to the company, is of the greatest interest to the solicitor. The examiner who appreciates his responsibilities will give the applicants referred to him his prompt attention, and will make his report so complete and thorough that further correspondence will be unnecessary and policies can be written without delay.

The **New York Safety Reserve Fund** of Syracuse, a co-operative assessment association, has just been examined by the New York insurance department, and the report of the examiners contains numerous criticisms of the company and its business transactions. It formerly wrote the five-year dividend policies that were highly popular until the law of 1911 forbidding such policies, and the amounts that will be paid on maturing policies from now on will be more disappointing than they have been. The department finds that payments cannot be continued at the present scale without prejudicing the rights of other certificate holders. Funds belonging to the benefit fund have been used for other purposes, and while the fund showed a balance on December 31 of slightly over $70,000, the total assets of the company amounted to a little over $42,000. The ratio of expense of management to premium income in 1913 was 67.36 per cent. The New York office has been discontinued on account of its expense and a plan for protecting the interests of the remaining dividend members is being worked out.

The **Mutual Life** announces that the new paid-for insurance issued during 1913, not including revivals, dividend additions and increases, was $156,001,665, a gain of $6,159,133 over the corresponding item of 1912. Adding to this amount $4,033,701 for dividend additions to policies, $1,758,759 for lapsed or defaulted policies revived during the year, and $3,330,252 for increased policies, we have a total of new paid-for business of $165,124,377, a gain of $8,056,554. The terminations during the year from death, maturing endowments, surrenders, expiry and other causes amounted to $117,546,362, leaving the total insurance in force at the end of the year $1,598,466,078, a net gain of $47,578,015. During the four weeks ending with May 23 the company paid 143 death claims on which the original insurance was $1,704,123, but which was increased by dividend additions to $1,827,670. The premiums paid in on these policies amounted to $939,884, thus yielding a return over cost of $887,786. There were also paid 320 matured endowments amounting to $732,646.

The report of the **examination of the John Hancock Mutual Life,** which has just been published by the Massachusetts insurance department, redounds to the credit of this well-known institution. The examiner makes highly complimentary comment on the condition of the company and its mode of doing business. Since the last examination the annual income has increased from $22,000,000 to over $30,000,000; its assets from $65,000,000 to over $105,000,000 and its insurance in force from $527,000,000 to over $712,000,000. The company owns no stocks, all its investments being in bonds; adequate reserves are maintained, and death claims are paid promptly. The report reflects much credit on the management of the company, of which Roland O. Lamb is president. The other officers are: First vice president, Arnold A. Rand; second vice president, Edwin B. Holmes; third vice president and secretary, Walton L. Crocker; treasurer, Frank R. Robinson; actuary, L. H. Howe.

Part III of the **report of the Connecticut insurance department** has been published, relating to fraternals. At the end of 1913 the total assets of the 52 societies transacting business in that State amounted to $119,582,252.64, being an increase over 1912 of $9,286,948.20; the total liabilities were $14,556,689.46, an increase of $652,373.52; the total balance to protect contracts was $105,025,563.18, an increase of $8,634,574.68, and the number of members was 4,373,254, an increase of 41,777. The total amount paid by members in 1913 was $812,587.12 less than in 1912; the income from all other sources in 1913 was $5,488,518.23 more than in 1912, the total income for 1913 exceeded that of 1912 by $4,675,931.1. The disbursements show that the amount paid to members was $53,952,418.27, or $134,169.58 more than in 1912; the amount paid for expenses was $333,293.85 more than in 1912, and the total disbursements were $530,143.12 greater than in 1912.

In his little appeal to the voters of the State for re-election as insurance commissioner of Oklahoma, A. L. Welch points out that in 1913 the **income** of his department has been **increased** from the 1912 figures of $227,607 to $233,395, while the expenses of the department decreased from $24,572 to $15,187. The latter item goes to show that tax expense for the insurance companies might be reduced if attempted in the various States. The comfortable balance of $218,208 more than was required to pay the expenses of their supervision in Oklahoma was thus extracted from the companies in 1913. Mr. Welch says that he wants to urge a "blue sky" law and also one to make the insurance commissioner the receiver, without expense to the policyholders, for

Digitized by Google

all delinquent companies. He advocates a just and fair workmen's compensation act. He has served as insurance commissioner since March, 1913.

Two valuable booklets have been published by Forbes Lindsay, associate manager of the home office agency of the Pacific Mutual Life, entitled **Efficiency** and **The Psychology of a Sale.** The first is composed of ten chapters, consisting of summarized lectures given before the city agents of the company by the author, and it will be found of interest and value to agents and managers of all companies. The second book is devoted to a discussion of the right and the wrong way of attaining the highest efficiency in the selling of life insurance. The author departs from the beaten track at times, but is careful to keep on practical ground, and instead of specifying details, he gives the agent something to think about and develop for himself. Either book sells for $1 per copy in flexible leather binding or 75 cents in stiff paper binding. Orders may be sent to the WEEKLY UNDERWRITER.

The **New Jersey Association of Life Underwriters** concluded its year's work with the meeting on Monday. The meeting was held in the Prudential's assembly hall, and the officers of that company were hosts. About fifty men were present from all parts of the State, and at the close of the morning session they were entertained by the Prudential at luncheon. President Dryden made an address of welcome, mentioning that the company is out again this year to beat its own record as well as the records of others. Secretary Willard Hamilton pointed out that the insured population is not yet growing as fast as the general population, thus indicating that life insurance solicitors have still plenty to do. The education of the public as to life insurance and the advantages of the monthly income plan were discussed. A number of new members were elected.

The official **announcements for the June frolic** of the Life Underwriters Association of New York are out. It is to be held at the Crescent Athletic Club, Brooklyn, on Tuesday, June 30. Tickets must be procured in advance, and the $2 includes the dinner and the transportation by the club boat, which leaves Battery pier at 3.30, 4.30 and 5.30 o'clock. The boat will make a special return trip, leaving the club at about 10.30 o'clock. There will be a baseball game between teams representing the home offices of the Equitable Life and the Mutual Life, and the tennis courts will be open for those who care to play. Non-member agents will be welcome. At the business meeting, which will be brief, four names are to be voted on for membership.

The **Missouri State Life** is issuing a new contract containing a loan insurance clause, under the terms of which the insured pays a premium of from 90 cents to $2.30 per $100 of loan against his policy and at maturity the policy is paid in full, thus avoiding the disappointing experience often involved in the settlement of policies on which loans have been placed without the knowledge of the beneficiary. One of the options is that of leaving the funds with the company in trust, in which case they participate in the earnings the same as a participating policy. A disability clause is included, and the policy may be matured as an endowment by continuing the payments for certain specified periods.

The **appraisers** of the Prudential have practically finished their task and held their **final meeting** on Friday at the office of Ex-Governor Fort, one of the appraisers, in the Essex Building at Newark. "In all probability," said the Ex-Governor to a representative of the WEEKLY UNDERWRITER, "we shall hold a meeting at the Prudential building in the rooms of the Court of Chancery and read our report on Tuesday June 23."

The organizers of the **Old Dominion Life** of Norfolk, Va., report that the organization is expected to be completed by the last of the year, so as to begin business by January 1. The entire net capital stock of $300,000 is to be deposited with the Virginia insurance department. Berkeley D. Adams is president, Charles E. Sprague is first vice president and general manager, L. E. Martin is secretary and W. J. Sheperd is treasurer.

About 70 employees of the **Equitable Life** enjoyed their first **annual outing** at College Point, L. I., last Saturday. A special ferryboat conveyed the party and there were numerous field sports, including a baseball game between teams from the girls in the Hazen building and from the Broadway office, the former winning. Dinner was served, and after that an amateur minstrel performance was enjoyed.

The **health conservation committee** of the World's Insurance Congress has been appointed by Chairman E. E. Rittenhouse, as follows: Irving Fisher, Ph.D., Professor of Political Economy, Yale University; Dr. Lee K. Frankel, head of Nursing System, Metropolitan Life; Dr. Toulmin, medical director, Penn Mutual Life; Dr. Charles Theo. Cutting, medical examiner, Pacific Coast Casualty.

The **American Benefit Association** of White Plains, N. Y., has been examined by the New York insurance department. The association had a balance of $11.23 over its liabilities on April 30. It assesses its members 25 cents each sixteen times a year. There are 1,943 members, who have a total of $485,750 of insurance. Certificates are written on men only from eighteen to fifty years of age.

A largely attended convention of the **Western Field Club of the Mutual Life** was held at the Antler's Hotel, Colorado Springs, last week, about 120 agents being entitled to the medal. A. P. Ballou, of Chicago, was elected president. Among those present from the home office were George T. Dexter, second vice president, and J. A. Jackson, head of the literary bureau.

According to the report of the **Oklahoma** insurance department for 1913 the **life insurance** written in that State in 1913 amounted to $42,569,930, bringing the total in force up to $136,143,042. The new business was an increase of nearly $8,000,000 over that of the previous year. The 1913 premiums received were $4,298,320 and the claims paid $1,054,888.

On account of adequate provision by Congress for the election of a senator in Washington, **no special session** of the legislature in that State will be called this year. It was hoped that this could be avoided, as under the Washington law a special session once started could not be controlled, either as to continuance or variety of subjects considered.

The June bulletin of the **Alabama insurance department** gives the total **receipts** of the department for 1913 as $269,112.36, and the total disbursements of the department as $12,708.02, leaving a balance of taxes and fees collected from the insurance companies over and above the entire cost of the department of $256,404.33.

The arrest of William Jones, who lives in New Jersey, was caused by Insurance Superintendent Hasbrouck on Tuesday. Jones is charged with soliciting business among colored people for the Royal Benefit Society of Washington, D. C., which is **not authorized in New York State.**

(*Continued on page* 568)

Digitized by Google

STOCK INSURANCE THE ONLY REAL COMPENSATION GUARANTEE.

Workmen's Compensation Conclusions Point to the Casualty Companies as the Only Safe Means of Insurance of Workmen's Benefits.

TWO FACTS.

FACT No. 1.—There is no form of insurance covering the liability of employers to pay workmen's compensation equal to that afforded by the stock casualty companies.

FACT No. 2.—The stock casualty companies should not attack the State fund, but should leave it to undergo its inevitable experience.

Large employers of labor are beginning to study the workmen's compensation situation. They need to. One very capable business man said this week that he had supposed the State fund would furnish workmen's compensation free.

The more employers study it the more they become impressed with the fact that neither the State fund nor the mutuals can furnish the secure protection afforded by the stock casualty companies. Whether, under the present situation, the latter will be willing to give the protection remains to be seen.

The State fund has been making a strong bid for business by sending out circulars to all employers of labor. One of the many things said in the circular is that an employer who insures in the State fund is thereupon absolved from all liability to his employees on account of accidents they may sustain. That statement will bear investigation. The State fund, as a name, is apt to mislead some. Any private company adopting such a name would experience trouble in getting it approved in some insurance departments. It is a fund handled by appointees of other appointees of the State. It is not a fund guaranteed by the State, as might be inferred. It is derived from funds paid in as premiums by employers who decide to become "insured" in the State fund. The expression "to insure in the State fund" is likewise questionable. To participate in its uncertainties would be nearer the truth. It is starting without a dollar in its treasury, until some employer sends in his check. The State will pay the administration expenses for thirty months, after which it must go it alone. The State will guarantee nothing to the workmen before whom its legislature bowed down when enacting the law, and in that respect the labor demagogues have apparently handed their clients a very sour lemon.

The State fund offers to write its policies for a premium that will be a fraction over 8 per cent. cheaper than the minimum rates fixed by the insurance department for the stock companies to charge. Neither the managers of the State fund nor any of its sponsors have a dollar invested or interested in the payment of compensation to the men apparently covered under policies it will issue. Therefore when the stock companies, with millions of actual dollars invested in their business and on hand as reserves for their policyholders, say that these minimum rates are too low, and that they will not accept business at those rates, their statements are entitled to be heard with respect and to be believed.

Is the automatic release from liability provided by the law which created the State fund worthy of dependence? The Constitution of the United States guarantees to every man his right to a day in court. The literature of the State fund in circulation points out that in case of the insolvency of the stock company the employee will have basis for an action against the employer. What about the employer who relies on the State fund? That is more apt, without capital or State backing, to become insolvent than a stock company with capital, reserves and surplus, not to mention adequate rates and underwriting experience, and will the courts permit the workmen's compensation act to deprive the injured employee of his right to go behind the alleged insurance policy in the State fund and seek redress from the employer? Not at all! That was a provision inserted for the purpose of driving business into the State fund, and its unconstitutionality will be established the first time it is called in question in the courts.

The State fund literature proclaims that the law does not provide for assessments upon those participating in it, as has been generally supposed. Those studying the law have been of the opinion that in the event of need the State fund managers might assess its policyholders to make up the loss. The official ruling declares this is not so. Of what value, then, is the State fund policy as a guarantee to the injured workman that he or his dependents are to get any benefits? Every State fund that has been established in this country has shown its inability to meet unusual demands, and there is no reason to hope that this one, laboring under a schedule of benefits greatly in excess of any other in existence, will prove any exception to the experience. If the State fund cannot be replenished by means of assessments, the outlook is gloomier for the workman than the most pessimistic prophecy yet recorded.

It is true that some of the powerful casualty companies have declared that the rates promulgated by the insurance department are higher than necessary. That is not because these companies do not realize the cost of furnishing the insurance, or because they are necessarily wiser than the officials of the companies which assert that the rates are too low, but is due to their facilities for handling the business in another way or on account of their willingness to handle it at no profit at all. Their large investments of capital, reserves and surplus of undivided profits will enable them to do this for a time if they so choose. There is no warranty in their attitude for any one thinking that the State fund will be able to furnish sound insurance at lower than the minimum rates. So much for the State fund at this time.

There have been organized in this State within the past few months a large number of mutuals to carry the compensation risks of their members. Some of them have announced that their liability of assessments has been fixed at not to exceed one annual premium. So the employee will ultimately have the same right to go behind the policy and sue the employer for his benefits in case the assessment does not furnish sufficient funds that he will have as to stock insurance. If the employer desires to resign from the mutual he remains liable to assessment for liability incurred during his membership for the period of one year following his resignation. At least two large employers of labor who went into mutuals without giving the matter lengthy consideration have this week resigned

Digitized by Google

and have given their order for stock insurance at a figure per annum which any ordinary man would be glad to consider a comfortable fortune. They have regarded mutual workmen's compensation insurance as about on a par with assessment life insurance, and the history of that is so well known as to afford the desired comparison without further use of words.

There is something to be said about the attitude of the companies regarding the situation. The one thing the companies wish to avoid is monopolistic State insurance such as now prevails in Ohio. The opinion prevails among some underwriters that this can be accomplished by crushing the present State fund immediately. The opinion is strong among others that this is not true. The latter maintain that the State fund should be nursed along, that it will perish of itself in due season and that the companies cannot then be charged with contributing to its demise. The companies, even the mutuals, have the right to select their risks, which is something the State fund has not. Being obliged to accept all risks which apply, the State fund will find itself gorged with the "skates," and it will die of indigestion. That will be hard on the workman and his family, whom the law is designed to protect, but neither the State nor the politicians will lose any money. They are not interested financially.

On the other hand, if the companies attack the State fund in such a way as to bring about its destruction, its friends will properly complain that it was not given a fair chance, and in the opinion of close students of the situation a movement for monopolistic State insurance will follow that the companies will be in a poor position to combat. Such a predicament would be an entirely unnecessary one, in the opinion of many underwriters, who believe the State fund is doomed from the beginning and is not needing attention.

The schedule of minimum rates, below which no company may write workmen's compensation insurance in this State, has been promulgated by the insurance department. It is based on the formula promulgated last week and gives figures for about 1,500 classes. The announcement by Insurance Superintendent Hasbrouck accompanying the manual says:

Superintendent of Insurance Frank Hasbrouck has approved a schedule of premium rates for workmen's compensation insurance to be written by stock and mutual companies authorized to transact business in New York State under the new law which becomes effective on July 1, 1914.

The insurance contract will be written by all companies on a standard form prepared by this department. The standard form provides unlimited coverage for the entire liability imposed by law upon the employer under employers' liability and workmen's compensation acts. The employer need not, unless he so prefers, insure the liability for medical benefits. According to an interpretation made by the commission, the insurance of medical benefits is not compulsory. A reduction of 20 per cent. will be allowed on policies excluding medical benefits.

The schedule of rates approved by the department is probably the first schedule constructed in this country on a scientific basis. In constructing the manual, all present rates in other compensation States have been disregarded; the New York rates are founded upon actual experience in compensation States.

In view of the fact that insurance of compensation is compulsory, Governor Glynn and the superintendent have determined that the rates must be reasonable, and that the burden upon the employers should be as light as possible. While the New York compensation law is the most liberal law in the country, the rates approved by the department compare favorably with compensation rates in other States that have less liberal laws.

The rates are constructed upon the theory that at least 66⅔ per cent. of the premiums will go directly to the injured workman and his dependents, this percentage representing the actual amount which will be disbursed to claimants. In addition to these direct payments to the workman, a portion of the premium, amounting to approximately 10 per cent. will be devoted to inspections and loss adjustments. The total margin for expenses allowed to stock companies is equal to 33⅓ per cent. of the total premium. The total margin for expenses allowed to mutual companies is equal to 23⅓ per cent. of the total premium.

The premium rates have been approved subject to the condition that the companies will keep within such limitations. If, upon examination, or otherwise, it should be found that these limitations have been exceeded, the department will feel justified in withdrawing the approval of rates for such companies that have exceeded the limitations.

Taking into consideration the fact that at least 66⅔ per cent. of the premiums will be devoted directly, and approximately 10 per cent. indirectly, for the benefit of claimants, the actual administration expenses, as far as stock companies are concerned, are limited to 23⅓ per cent., and as far as mutual companies are concerned, are limited to 13⅓ per cent. The difference in the limitation between stock and mutual companies is accounted for by the fact that the mutual companies will be required to set aside a reserve of ten per cent. for the purpose of covering the catastrophe hazard.

To employers who pay attention to accident prevention, whose plants have been inspected, and who will show a favorable record of accident experience, a reduction from the rates published will be allowed to the extent of 40 per cent., depending upon the physical conditions in the manufacturer's establishment, and upon his record of accident experience.

There is now being formed a central rating bureau under the supervision of this department, which will make possible the application of uniform standards for determining the equitable rate to which employers are entitled.

Governor Glynn is deeply interested in the entire subject of cost for compensation insurance, and is co-operating earnestly with the superintendent to bring about a condition where the actual cost for compensation insurance will not be greater than under employers' liability laws.

Schedules of compensation rates are on file at the office of the insurance department at Albany, and the New York office of the department, 165 Broadway. Copies have been filed also with the State workmen's compensation commission, 1 Madison avenue, and with all insurance companies authorized to transact business in this State.

A question as to the coverage of the law regarding municipal employees has been decided by Attorney-General Carmody in an opinion which in substance says that the law will not apply to municipal employees unless they are engaged in gainful occupations for the city, so that while a truck driver employed by a private corporation will be covered by the law, a truck driver employed by the city will not, unless he be a part of some municipal operation which is designed to produce profit for the city. The engineer of a municipal ferryboat, although ferrying has been a source of municipal loss, would not be bound by the financial disappointments of the enterprise, and would undoubtedly be regarded as being engaged in a gainful occupation.

The discussion of a central rating and inspection bureau is still under discussion and a meeting is behing held as we go to press.

LIFE INSURANCE.

(*Continued from page* 566)

The International Life of St. Louis is to **reinsure** the American Home Life of Fort Worth, Tex., which has some $7,000,000 of insurance in force. The stockholders will meet on July 11 to approve the contract and to arrange for the liquidation of the company.

The annual **field day games of the Ætna Life** home office employees are being run off at Hartford to-day. An elaborate programme of events has been arranged, for which suitable prizes are offered. The company furnishes the entertainment.

The **Commercial Life and Casualty** of Savannah, Ga., has elected the following officers: President, William W. Williamson; Robert Perrin, vice president and general manager; H. J. Swain, secretary and treasurer.

The **Gibraltar Life** of Paris, Tex., has elected E. B. Norment as secretary, succeeding Henry P. Mayer, resigned.

Digitized by Google

The Weekly Underwriter:

MONTHLY LIABILITY INSURANCE SUPPLEMENT.

NEW YORK, JUNE 20, 1914.

THE LIABILITY INSPECTOR, THE MASTER, AND THE MAN.

Exposition of the Attitude Which Should be Taken by Each in Dealing with the Workmen's Compensation Law in New York.

By Robert H. Pearson, Consulting Engineer, Globe Indemnity Co.

Liability insurance companies have been, and are now, devoting much time and spending considerable money in an attempt to devise means whereby adequate rates may be made to cover their future business under the workmen's compensation laws of the various States, and especially of the State of New York, where the workmen's compensation act becomes effective on July 1, 1914.

The New York insurance department is striving to establish a standard by which companies may depart from the established manual rates, and a system of merit rating is now under consideration, based on the results of inspection reports, but objection is made to individual companies using their own inspectors for rating work on the plea that such a course would provide too great a latitude for the inspectors' discretionary judgment and opinion and would be likely to bring about a competition resulting in the destruction of the manual rates approved by the department.

To avoid the competitive element, and bring about a uniformity in merit rating, it has been proposed that an independent board of inspection be established, and in point of fact preliminaries are well advanced for the creation of such a board, so that in the future all rating work for insurance carriers in New York State may be done by inspectors who are in the employ of the Central Independent Inspection Board, and all stock and mutual insurance companies may have equal right with the State to become members of this board and participate in its privileges.

The merit rating department of the Workmen's Compensation Bureau, which has been in existence over a year, has been doing inspection and rating work for the stock companies during that time, but as inspection by bureau employees was not made compulsory, most of the liability companies who were members also had inspections made by their own men, using a form of report devised by the bureau, and returning this report to the bureau, after rating, for approval.

Massachusetts refused to recognize the value of the Workmen's Compensation Bureau system and New York has followed, with the result that an independent board of inspections will very soon take the place of the bureau in New York State, and it is more than likely that Massachusetts will also accept independent inspection as the solution of its liability insurance problems.

Independent inspection work will necessitate the employment of a large number of men, many of whom will no doubt be recruited from technical schools or colleges, and the duties of these men will be limited to answering the stereotyped questions contained in the inspection report, which will be devised by the board for the purpose of determining the underwriters' value of the business and the naming of a correct rate.

After a company has secured business, it has the privilege of making its own inspections with a view to improvements, and where an employer is found who is willing to comply with recommendations or suggestions for the better safety of his employees, he will be entitled to an adjustment of the premium rate as a reward for the money he has expended for safeguarding his plant.

THE INSPECTOR.

It will be readily seen from a review of present conditions and developments which are likely to take place in the future that the factory inspector who aims at success has no time to lose if he has not already made a special study of the principles of modern safety engineering, as he will find that his usefulness to an insurance company will be measured by his capacity to foresee and remedy conditions which would lead to accidents of any kind, remembering always that small cause often results in disaster of magnitude.

Recently one of the foremost insurance men in New York City made a statement to the writer to the effect that imagination is a good asset in making inspections, and while I did not realize the importance of the suggestion at the time and felt like ridiculing it, I have since arrived at the conclusion that we all draw on our imagination more or less in the course of our vocation and that better cultivation of our faculties along the lines of imagination would have good results and enable us to form better judgment of cause for accident.

Over and above technical or mechanical training

THE INSPECTOR MUST HAVE NATURAL ABILITY

and an inherent love for his calling; good conditions in one factory should be impressed on his mind so that he can use the experience gained for the betterment of the plant which is run on less favorable lines when he visits it; every known safety device which he sees should be closely studied and its good or bad points noted, always remembering that the best safeguards ever devised could be made better. Opportunity for reading on safety subjects should be taken advantage of, and the inspector who packs his mental knapsack with knowledge along the lines suggested will find his burden light and his progress easy.

It is impossible to lay down any specific rules for the guidance of the inspector within the factory lines, nor is it possible to standardize safeguards beyond certain limits. The device which will take care of a machine doing certain work in one factory would be a menace to the operator of a similar machine doing a different class of work in another factory, and cases of this kind bring out the value of the inspector, as the experienced man can usually devise a means that will attain the end at the small cost of a little thought.

FIRST AID EQUIPMENT AND QUALIFIED MAN IN CHARGE.

Digitized by Google

GOOD INSPECTION REQUIRES A CLEAR EYE

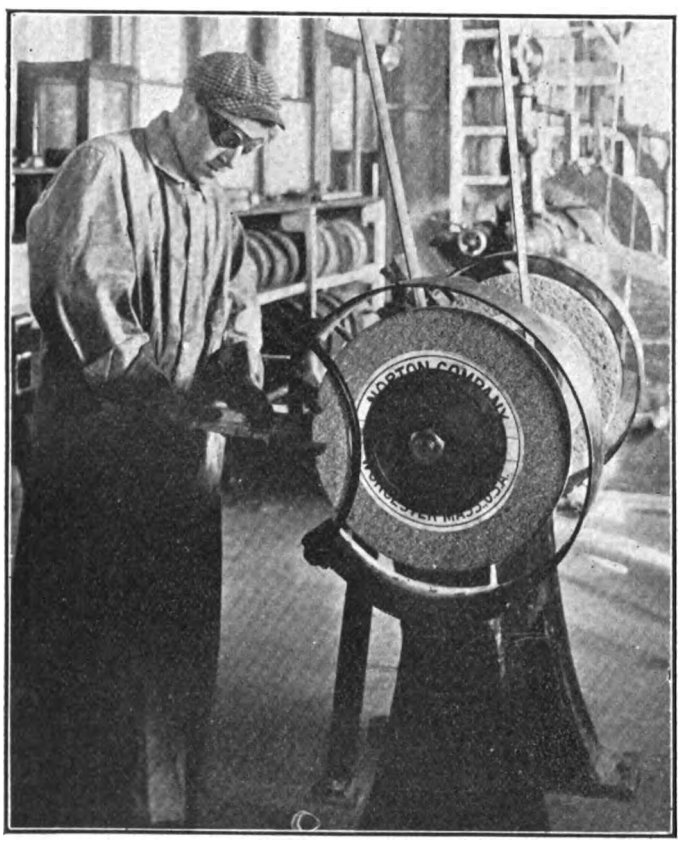
and a perfect knowledge of danger points. The clock should be forgotten when going through a plant, as rush in work of this kind is almost criminal, and the inspector who hurries through the departments of a factory is losing his opportunities.

As soon as the inspector enters the factory gate his silent slogan should be, "Safety for my fellow-man," and his ambition should not be satisfied unless he leaves that factory with a feeling that his visit will ultimately result in saving some poor unfortunate the pain of mutilation or worse, and there is no question but that he will find room for one or more improvements even in plants which are supposed to be perfect.

THE MASTER

and his bearing on the things which the inspector is trying to do for him and the man now demands attention.

Payment of compensation to workmen for accidents after they have been crushed or dismembered is not a remedy for evil conditions in employment, yet this is as far as any workmen's compensation act has gone, and the question still remains whether the payment of money as awarded by law can ever sufficiently compensate for the maiming or death that deprives the family permanently of the breadwinner's services and the mental grief and anguish occasioned by his loss.

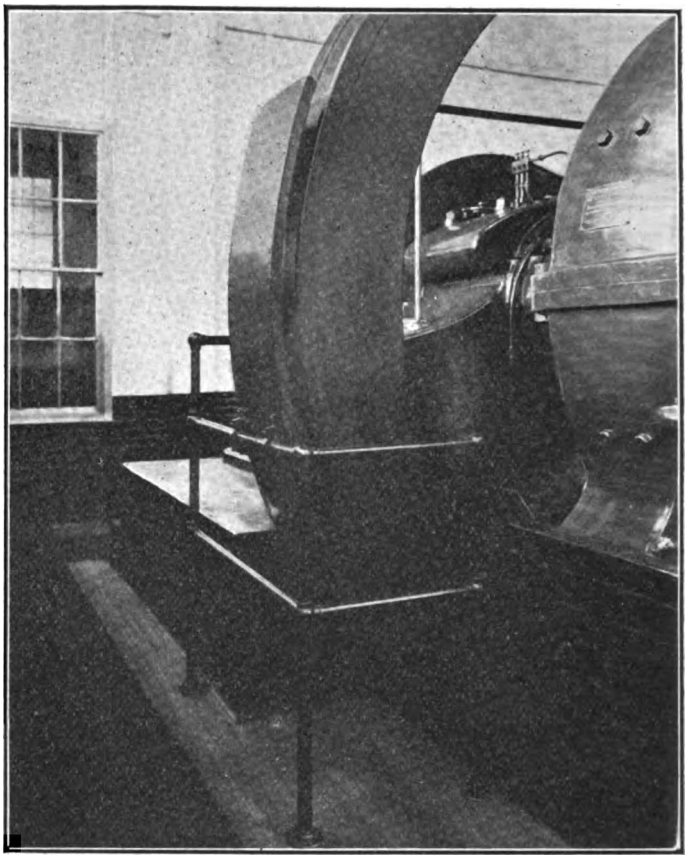


EMERY WHEEL GUARDED AND OPERATOR PROVIDED WITH GOGGLES AND GLOVES.

Manufacturers, and employers of labor generally, are beginning to realize that prevention is of primary importance, and that it is more commendable and philanthropic to build a fence around a danger point than it would be to keep an ambulance ready at the factory gate.

Insurance rates under the compensation laws have necessarily increased very much, and as all employers are interested in obtaining insurance at a minimum cost, they find that to obtain a rate reduction it is necessary to reduce the hazard, and for this reason mostly safeguarding is receiving more attention at the present time.

Many owners of plants have for humanitarian reasons given particular attention to the safety and welfare of their employees, and men of this class or corporations who have studied the problem of sanitation and safety in their works will now reap their reward.



FLY WHEEL GUARDED.

It has been stated on good authority that

40 PER CENT. OF INDUSTRIAL ACCIDENTS ARE PREVENTABLE,

and experience in plants before and after a campaign of safeguarding and education has proven that these figures are nearly correct.

One of the first things that the owner of a plant should insist upon is proper means of lighting within his workshops and buildings generally; ventilation and sanitation are also necessary, good health and a clear mind being one of the best safety assets of the workmen, and the increased efficiency of employees which will surely result from attention to such conditions will well repay the cost of all necessary improvements along these lines.

Superintendents, foremen and workmen should be educated along lines which will add to the better safety of employees generally, and every effort should be made to attract the interest of the rank and file to welfare and safety subjects.

If each employer appoints a committee consisting of intelligent employees, superintendents of departments and foremen, and gives them facilities to hold weekly or semi-monthly meetings for the consideration of conditions which should be improved, the good effect will be demonstrated beyond belief in a short time, and cause for accidents will be eradicated gradually but surely.

EXPERT SAFETY MEN SHOULD BE CALLED ON

to give their views on the best means of safeguarding and an occasional lecture by such men to the work people would be of much use educationally, intelligence being of even more importance than mechanical devices for the prevention of accidents.

Overcrowding and mixed massing of machinery is poor economy; cramped space interferes with the proper handling of stock and the operation of individual machines; danger to operators is increased, and when repairs become necessary much more time will be consumed upon such work than would be necessary were ample floor space allowed.

Superintendents, foremen and members of safety committees should be instructed to give special attention to condition of floors and stairways; slippery or broken floors near moving machinery should have immediate attention; stair treads should be kept in good order. Stairways and runways should be pro-

Digitized by Google

vided with handrails and toe boards, and windows on landings facing a flight of stairs should be provided with screens or bars to prevent any one who slipped or misstepped on stairs from falling through; all floor openings should have a handrail and toe board protection, and all elevator shaftway entrances should be provided with doors or gates of automatic closing design.

EXITS

of ample proportion and strength should be installed, most calamities of the past having been due to inadequate means of escape or to weak construction of stairways or fire escapes. Wherever possible, moving parts of machinery should be fenced, cased or screened in such a way as to prevent contact—this applying especially to all reciprocating motion, gears, sprockets, balance wheels, flywheels, pulleys, shafting, belts, couplings, cranks, clutches, set screws, keys, spindles, sprockets and sprocket drive, chain pulleys and chain drive, spiral, belt, bucket or other form of conveyor, and in fact to all mechanical equipment presenting cause for accident.

All machines where it is necessary to have the hand come in close proximity to the point of operation, or within the danger zone, should be studied with a view to protection; most circular saws and all band saws can be efficiently guarded. The hazard attending the operation of stamping, forming, cutting and punching presses can be eliminated to a great extent, either by means of guards or by automatic feed; many roll operations can be guarded in such a way as to nullify their dangers; knife edge machines, such as wood planers, jointers, molders and kindred equipment, can be guarded in nearly every case; emery, polishing and other high-speed centrifugal machines, if properly hooded and flanged, become comparatively safe, and if these are provided with suction equipment the serious menace to health which dust conditions present is disposed of; protection for eyesight is afforded where goggles are used, and each operator on this class of machine should not only be provided with this useful safeguard, but their constant use should be insisted upon.

The machines and conditions enumerated are only meant as examples and do not by any means cover the

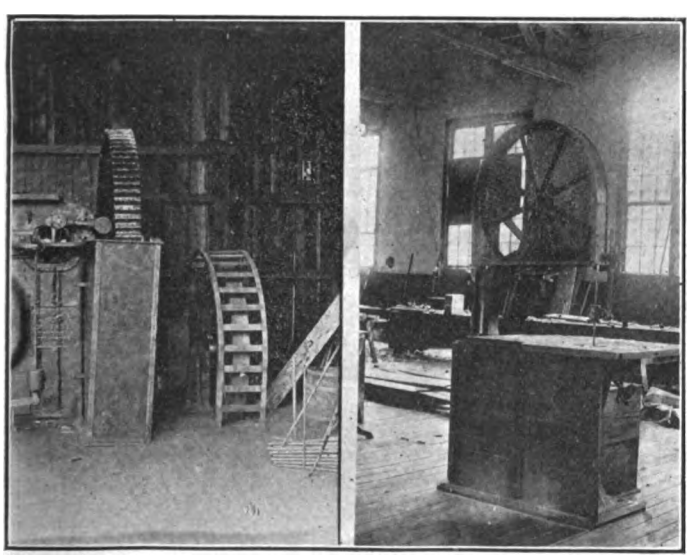
POSSIBILITIES OF CAREFUL THOUGHT

in the direction of safeguarding.

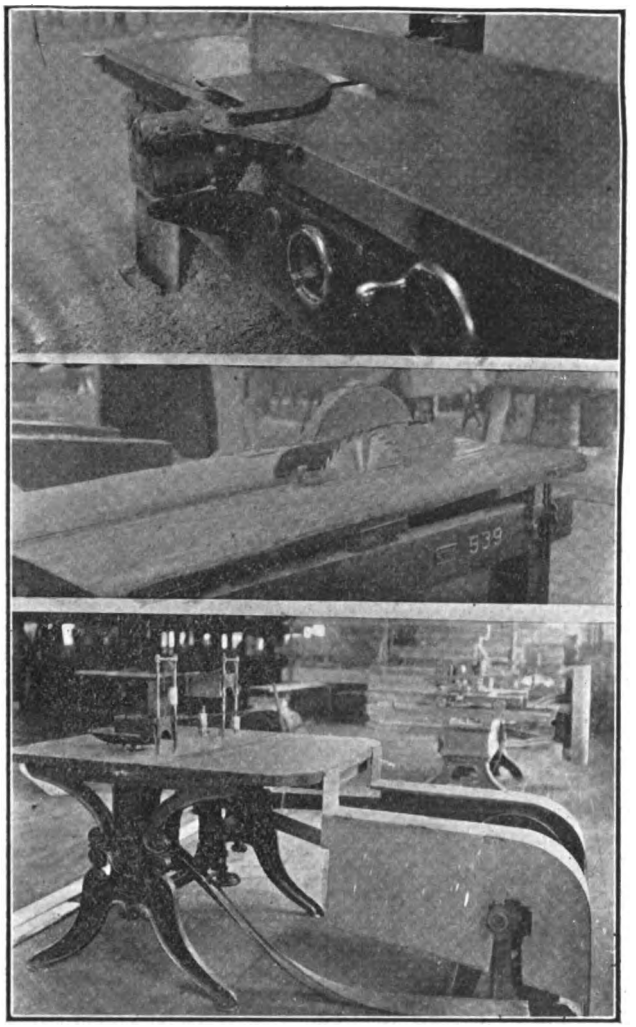
Many instances of study along lines where safety and welfare was the primary aim are known to have developed improvements in manufacturing methods of considerable value, besides attaining the protection which inspired the research in the first instance.

Labor troubles and lack of competent help often force employers or their agents to recruit their workmen from an unskilled and ignorant source, but if good judgment is used, even the crude foreigner can be trained up to a fair standard, but this can only be attained by gradual initiation, patience and the careful education which is necessary for self protection and the production of good work.

Allowing minors to operate hazardous machines, unless such machines are guarded in such a way as to make them absolutely fool proof, is courting trouble.



GEARS AND BALANCE WHEEL GUARDED. BAND SAW GUARDED.



JOINTER GUARDED.
CIRCULAR SAW WITH HOOD AND SPREADER.
VARIETY MOLDER, KNIVES HOODED; BELT CASED.

Most young people, male or female, are adverse to mechanical monotony, and invariably show symptoms of the exuberance incidental to youth, which invariably ends in carelessness and disaster.

MONDAY MORNING

is usually more prolific of accidents than any other day in the week, and men in charge of departments should exercise extra care and precaution at that time.

No doubt the cause for this well-known subnormal condition is due in a great measure to the absence of the workman from the regular routine of his daily vocation during the time which intervenes between Saturday afternoon and Monday morning, and there is also reason to believe that many Monday morning accidents are the result of a nervous condition caused by over-indulgence during the period which should have been used for sane enjoyment or rest. The use of intoxicants during meal hours should be discouraged, and under no circumstances should intoxicants be allowed within the factory lines.

OVERTIME IS ANOTHER INCENTIVE TO ACCIDENTS,

and although this cannot be avoided at all times, the man in charge of the department where overtime is found necessary should so order things that no employee will be overworked to an extent that will create languor and ultimate carelessness.

Piece or task work, unless the labor involved is of a light manual order, should be discouraged, as machine work of this kind increases the usual hazard, owing to the fact that operators strive to rush the work to the limit of their earning power and thus endanger their life and limb. Piece work often entails much loss in stock and material, besides shortening the usefulness of the machine on which such work is carried on through careless manipulation.

Digitized by Google

Manufacturing operations entailing the use of explosive or highly inflammable material, either in solid, liquid or gaseous form, should be carefully carried on, and good and safe storage and means of distribution should be provided; all workmen should be warned against carelessness in handling such material, and rules for their guidance should be strictly enforced.

Strong acids require careful treatment, and no one should be allowed to handle carboys, stills or vats containing such chemical unless they are duly warned of their danger.

WEAK OR BROKEN LADDERS

are responsible for many accidents, and there is little excuse for any injury due to this cause, as examination would disclose poor conditions in most cases. All ladders should be provided with a device to prevent slipping, and this can be obtained by means of spiked feet where the floors are wooden or earth and by means of safety feet, such as the American Abrasive Metal Company of New York manufacture, where the floors are of finished wood, or of iron, steel, concrete or other hard substance.

Scrap of any kind should never be allowed to litter the floors of a factory, and broken cases or any other wood into which nails have been driven should have the nails extracted at once or be stored in such a way as will insure any one from injury by treading on them, many cases of blood poisoning and of lock-jaw being traceable to nail puncture.

Every factory owner should provide proper means of first aid to the injured, and a trained and competent man should be in charge of this very important department, otherwise serious results may ensue from small cause; many men have bled to death awaiting the arrival of a doctor, and many cases of blood poisoning will be prevented if proper nnd immediate attention be given to trifling wounds.

PROPER WASH HOUSES AND LAVATORIES

should be installed in all plants, and cleanliness and neatness should be encouraged; ragged and ill-made overalls are a menace to male life and limb, and dusters should not be allowed in any factory where there is moving machinery. Females should be discouraged from wearing loose aprons, scarfs or other loose wearing apparel, and where the hair is liable to come in contact with revolving mechanism, the use of caps similar to the kind used in bathing should be insisted on wherever possible.

Leaving the master, we now come to

THE MAN,

and as he is mostly what his surroundings and his master make him, his case can be summed up in brief.

The employees who receive reasonably good treatment generally develop into a class by themselves; a kind word, a sign of recognition or an occasional smile will go a long way toward creating the contentment and good feeling which is so necessary between master and man.

The man or woman employee who is hounded by a brutal foreman is always a failure, and such treatment will surely prove costly in the end; the quality of work will be poor, tools and machinery will be treated carelessly, material and stock will be wasted, discontent will run rampant, and the claim toll for accidents will be enormous.

It is a good plan, where foreign labor is employed, to arrange the work in such a way that one English-speaking worker will be in touch with every two or three non-English-speaking workers, so that the foreman's orders will be interpreted in a proper way and without loss of time, and encouragement should be given foreign workers to study the English language after work hours.

UNSKILLED MALES OR FEMALES

should not be deputed to work on any machine until they are thoroughly instructed in its manipulation and its dangers, and in cases where a novice is employed for work in a factory equipped with power, it would be well to put such people to bench or floor work at first, so as to familiarize them with their surroundings before appointing them to the care of a machine, and all minors, male and female, should be put on probation and receive patient and careful tuition prior to advancement.

Individuals should be carefully studied by their superiors with a view to discovering the line of work for which they are best suited, and such a study will repay itself and produce results that will add to the general working efficiency of the staff and the saving of much money.

INSTRUCTION IN SAFETY AND WELFARE

should be given employees at regular intervals, and this can be best carried on by means of lectures delivered by heads of departments or by some of the more intelligent workmen, and, when possible, by inspectors or safety engineers; stereopticon illustration is of much value, but where this useful aid to lectures cannot be obtained, the blackboard will give good results, and the audience will in time take as much pleasure in attending the safety meeting as they would in going to any evening show.

Another method of insuring interest in safety and welfare is that where the management of a plant offers prizes or distinction to employees who produce good suggestions for the improvement of conditions and the safeguarding of danger points. Such a course creates an interest which brings out the best there is in the workman, and it is wonderful the amount of dormant intelligence and inventive ability that the average man is possessed of when a congenial problem is placed before him for solution.

Many machine operators are

PREJUDICED AGAINST INNOVATIONS

in the form of guards, and this spirit will be found to exist in the ranks of the older and more experienced operators to a much greater extent than it does among members of the newer and more modern school.

When work people are shown that their own welfare and the welfare of their families and fellow-workers are imperilled by refusal to accept conditions which are meant for their ultimate good, they can usually be made to see the folly of such a course if talked to in a proper way, but should any individual employee or a number of employees in a factory demonstrate the fact that they are beyond redemption, their services should be dispensed with, otherwise discipline and progress along the lines aimed at will be impossible, and the lesson taught to such work people will also work for their future benefit in so far that a period of enforced idleness and a change to perhaps a less congenial plant will cause them to realize what they have lost and make them more amenable to good counsel in the future.

LIABILITY COURT DECISIONS.

A Concise and Convenient Digest of Rulings of Courts of Last Resort in the Various States Affecting the Business of Liability Insurance.

Reported for The Weekly Underwriter by George L. Genung, of the New York Bar.

Michigan.

1. Workmen's Compensation Act—Statutes of Michigan—Industrial Accident Board—Findings Conclusive.

Where it appeared that deceased was employed in furniture works of defendant as wood carver; that at the noon whistle each workman was required to proceed to the end of the room and punch the time clock before leaving for dinner; that on day of accident deceased, who was working about 150 feet from the time clock when the whistle blew at noon, started on a run from his bench to the time clock to punch it; that after proceeding about 30 feet he collided with another workman, whom he could not see because of drawers which were piled up on the floor, and received injuries resulting in his death; that there had been no general notice printed or posted of a rule against running to the time clock, but about a year previous to the accident deceased had been told by his foreman not to run to the clock; that there was testimony that the rule against running had not been enforced, and no employee had been discharged because of doing so; that with reference to the rule the industrial accident board made a finding that such a rule had not been enforced and its general violation had been acquiesced in by the defendant, there being evidence to support this finding, it is conclusive upon the court on application for certiorari to review the proceedings before the industrial accident board under the workmen's compensation act of Michigan (Extra Sess. 1912, Act No. 10, Part 3, Sec. 12), and as a result eliminates the consideration of the question as to whether the injury arose by reason of the intentional and wilful misconduct of the deceased.

2. Same—Same—Out of and in the Course of the Employment.

Where, at the time of the accident, the deceased was engaged in the performance of a duty imposed upon him by his employer, and the performance of the duty was a concurring cause, if not the proximate cause, of his injury, the accident was an industrial accident within the meaning of the workmen's compensation act, and arose "out of and in the course of the employment."

Judgment and decision of the Industrial Accident Board here affirmed in the Supreme Court of Michigan.

RAYNOR VS. SLIGH FURNITURE COMPANY,
146 Northwestern, 665. (April 7, 1914.)

Digitized by Google

Missouri.

1. Injury from Horse—Liability for Injuries—Negligence of Foreman.

Where a foreman of defendant, having authority to direct a driver in the manner of performing his duties, delivered turpentine to the driver, who did not know what effect it would have, with instructions to apply it to the anus of a horse in case it balked, and the horse, because of the burning sensation thereby produced, kicked the driver, the employer was liable for his injuries, it appearing that he and the foreman knew, or by exercising ordinary care would have known, the effect the turpentine would have.

Judgment, sustaining demurrer to petition in St. Louis Circuit Court, here reversed and remanded in St. Louis Court of Appeals, Missouri.

PERLIN VS. WATERS-PIERCE OIL CO.,
165 Southwestern, 816. (April 7, 1914.)

Montana.

1. Injury to Miner—Statutes of Montana—"Working Place."

Under the coal mining code (Laws 1911, Chap. 120, Sec. 83), imposing on miners the duty to inspect and keep safe their "working place," the "working place" of a coal miner engaged in drilling and blasting and loading coal is, while loading, at the point where the coal is loaded on cars, and, while drilling and blasting, at the face of the entry; and where a miner had removed the coal from a tunnel and the work had been measured up and paid for and turned over to the mining company, and was thereafter a passageway, the portion of the tunnel so completed was not a "working place," though the miner had to pass through it while carrying on his work, but the duty to inspect it was imposed on the company's foreman by the statute (supra, Sec. 71).

2. Same—Assumption of Risk.

The risk arising from the failure of the employer to exercise reasonable care to make a place safe for an employee, and so maintain it, was not assumed by the employee unless the danger is obvious, and unless the employee, with knowledge of the danger and appreciation of the risk, continues at work without any assurance from the employer that the defect will be remedied.

3. Same—Same—Duty of Employer.

Where a coal company failed to exercise reasonable care to make a tunnel reasonably safe for use by a coal miner in carrying on his work, and the only method of detecting danger was by soundings, thereby detecting the existence of overhanging loose rock, the mere fact that the miner made a visual examination of the way and found it safe did not show that he assumed the risk of danger by falling rock.

4. Same—Same—Violation of Statute—Negligence of Employer.

Where a mining company, its superintendent, and assistant foreman know of loose rock in a tunnel used by miners in carrying on their work long enough to have made proper examination and repairs, but they failed to do so and a miner was injured by falling rock, the company, superintendent and assistant foreman were liable under the coal mining code (Laws 1911, Chap. 120, Sec. 73), providing for a mine foreman, and requiring him to see that each unsafe place is placed in a safe condition.

5. Same—Same—Independent Contractor.

Where a miner is paid according to a wage scale agreed on by mine operators and representatives of mine operators of the district, he is an employee of the company, and not an independent contractor, and he may recover for a personal injury caused by the negligence of the company and its superintendent and assistant foreman and face boss.

Judgment for plaintiff in District Court, Musselshell County, here affirmed in Supreme Court of Montana.

MCINNESS VS. REPUBLIC COAL CO. ET AL.,
140 Pacific, 235. (April 13, 1914.)

New York.

1. Death of Foreman—Statutes of New York—Negligence of Fellow-servant—Liability for Injuries.

Where the statute of New York (labor law, Sec. 200, Laws 1909, Chap. 36, amended Laws 1910, Chap. 352) provides that when personal injury is caused to an employee by reason of the negligence of any person in the service of the employer entrusted with any superintendence or authority to direct, control, or command any employee in the performance of his duty, the employee or his executor or administrator shall have the same right of compensation and remedy as if he had not been an employee, the act abolishes the fellow-servant rule whenever the injury is caused by the negligence of a person having authority over any employee, even though he had no authority over the employee injured; and, where the foreman of a shovel gang was injured by the negligence of a blasting foreman, the employer was liable for the injuries.

Judgment for plaintiff in District Court of the United States, Western District of New York, here affirmed in the Circuit Court of Appeals, Second Circuit.

LARKIN ET AL. VS. BURKE,
212 Federal, 148. (February 10, 1914.)

1. Injury to Tunnel Workman—Negligence of Fellow-servant.

Where it appeared that plaintiff was a workman in a tunnel, and it was his duty to push a small car which was used to carry concrete and other materials, and was loaded in a large bucket; that on the day of the accident the plaintiff and a fellow-workman were pushing a car from which the bucket had been removed; that while so doing the plaintiff was struck by another car, which came from behind, and suffered personal injuries, and that the accident was not caused by an unsafe conditions in the place in which the plaintiff worked, or by the omission to adopt proper rules, but by the act of fellow-servants, the complaint should have been dismissed.

Judgment of Appellate Division, Supreme Court, First Department, affirming judgment for plaintiff, here reversed in Court of Appeals, New York.

FITZGERALD VS. O'ROURKE ENGINEERING CONSTRUCTION COMPANY,
211 N. Y., 65. (April 14, 1914.)
105 Northeastern, 111.

1. Injury to Machinist's Helper—Statutes of New York—Notice of Injury—Waiver of Time.

In an action for personal injuries, brought under the employers' liability act (Laws 1910, Chap. 352), requiring service by employee of written notice of time, place and cause of accident to the employer within 120 days, where the plaintiff's notice was not served as required, and plaintiff's excuse for the delay is that earlier service was waived by a statement made by an investigator for a company in which the defendant was insured, such statement was not binding upon the defendant.

2. Same—Negligence of Fellow-servant—Liability of Employer.

Where the evidence shows that the negligence was that of plaintiff's fellow-servants, for which defendant is not liable, the defendant is not liable in damages to the plaintiff for the personal injuries.

Judgment of Appellate Division, Supreme Court, Fourth Department, affirming judgment for plaintiff, here reversed in Court of Appeals, New York.

DAILEY VS. STOLL,
211 N. Y., 74. (April 14, 1914.)
105 Northeastern, 87.

1. Employers' Liability Insurance—Notice of Accident—Dual Capacity of Agent.

Where the policy of employers' liability insurance contained provision: "The assured upon the occurrence of a casualty covered hereby shall give immediate written notice thereof, with the fullest information obtainable at the time, to the company's duly authorized local agent, or to its home office in New York City," and the agent of the insurance company was also the treasurer and manager of the assured, and an employee of the assured sustained personal injuries as result of an accident covered by the policy, upon the failure of the assured to give notice of the accident, the knowledge of the person so acting in a dual capacity cannot be imputed to the insurance company or be held ground for dispensing with the written notice which the policy required.

Judgment of Appellate Division, Supreme Court, Fourth Department, modifying and affirming a judgment for plaintiff, in Supreme Court, Special Term, Oneida County, here reversed and remanded in Court of Appeals, New York.

UTICA SANITARY MILK COMPANY VS. CASUALTY COMPANY OF AMERICA,
210 N. Y., 399. (March 3, 1914.)
104 Northeastern, 918.

1. Injury from Fall—Sufficiency of Evidence.

Where in a common law action brought by an employee in the employ of defendant to recover for injuries received from falling to the ground from a bridge over an open space between

Digitized by Google

the second floors of two factory buildings, while crossing such bridge after dark, there is no evidence either of the plaintiff or of any eye witness explaining the accident, and no sufficient evidence to support an allegation that part of such bridge was unguarded by a rail, so that it is impossible to form a definite idea of how the accident happened, and where there is no evidence showing plaintiff's freedom from contributory negligence, but there is evidence that he proceeded in darkness along a path with which he was not familiar and fell from some place the location of which was uncertain, it is reversible error to submit the case to the jury.

Judgment of Appellate Division, Supreme Court, Second Department, affirming judgment for plaintiff, here reversed in Court of Appeals, New York.

SIKORSKY vs. MARTIN & WHITE Co.,
210 N. Y., 513. (March 24, 1914.)
104 Northeastern, 954.

Oregon.

1. Death from Electricity—Statutes of Oregon—Employers' Liability Act—Admissibility of Evidence.

In an action for the death of plaintiff's son, an employee of the defendant electrical company, caused by coming in contact with wires carrying electric current of high voltage while engaged in placing cross bar on telegraph pole to connect the wires with new motors being installed in one of defendant's plants, the admission of evidence that the witness would have understood the directions of the defendant's superintendent as meaning that the work was to be done hot—that is, without turning off the current—is not ground for reversal, where such testimony does not materially contradict that of the defendant on the same subject.

2. Same—Same—Same—Compliance with Statute.

Under the employers' liability act (Laws 1911, p. 10), relating to transmission of electricity of a high and dangerous voltage, and providing for the location, insulation and designation of wires, the furnishing of switches, at some distance from a point where certain work is to be done, by which the current may be turned off entirely, does not exculpate an electrical company from negligence in failing to comply with the specific requirements of the statute.

3. Same—Same—Assumption of Risk.

In actions under the employers' liability act (Laws 1911, p. 16), the defense of assumption of risk is eliminated.

4. Same—Same—Compensation for Death.

Where the employers' liability act (Laws 1911, p. 17, Sec. 4) provides that, if there shall be any loss of life by reason of violations of the act, the widow of decedent, his lineal heirs or adopted children, or the husband, mother or father, as the case may be, shall have a right of action, without any limit as to the amount of damages that may be awarded, the measure of damages is the value of the life lost, not including compensation for grief or mental anguish of the beneficiary nor punitive damages, and is not confined to the pecuniary loss to the beneficiary, and the act contemplates but one action for the injury or death.

5. Same—Same—Instructions to Jury.

An instruction to the jury that the measure of damages is confined to the pecuniary loss to the plaintiff; that is, to such an amount as would equal the value of the decedent's services during his minority, less the reasonable cost of his support, together with such support as the father would probably have received from his son after majority, and the jury should consider the probable length of life of the father, and the relations between the father and the son, was proper. An instruction that the jury should consider the decedent's age at the time of the injury, and the probable expectancy of life, and determine the amount of damages the same as if decedent had lived and could have sued himself, and that the amount could not exceed the damages sustained, was sufficient in the absence of a request for more specific instruction on some point within the purview of the statute.

6. Same—Same—Same—Right of Action.

The basis for recovery for causing death is not the dependency of the plaintiff upon the decedent, nor pecuniary loss by plaintiff, though that may be proven as an element of damages, but is the existence of the relation of plaintiff to decedent required by the statute.

Judgment for plaintiff in Circuit Court, Jackson County, here affirmed in the Supreme Court of Oregon.

McCLAUGHERTY vs. ROGUE RIVER ELECTRIC Co.,
140 Pacific, 64. (April 7, 1914.)

1. Injury from Press Brick Machine—Statutes of Oregon—Employers' Liability Act—Sufficiency of Evidence.

In an action for injuries to operator of dry press brick machine caused by defects in the machine, brought under the employers' liability act of Oregon (Laws 1907, p. 302), the evidence tended to show that the accident was occasioned by some insecurity in the brakes or clutches used for stopping and starting the machine operated by the plaintiff.

2. Same—Same—Same—Admissibility of Evidence.

Testimony that the only way of locking the machine to prevent its going into gear was a piece of rawhide attached to it was relevant.

3. Same—Same—Same—Cross-examination of Witnesses.

Cross-examination of witnesses as to whether the machine was intended to be operated by stopping between every operation, and as to the practicability of constructing a locking device that would hold the lever controlling the gear wherever it was set, was not ground for reversal.

4. Same—Same—Same—Instruction to Jury.

An instruction to the jury giving a complete statement and almost a quotation of the employers' liability act (Laws 1907, p. 302), which might have been misleading in inducing a verdict on defects or omissions not alleged in the complaint, was not erroneous, when considered in connection with other instructions that the jury should only consider whether the defendant was negligent in the particular respect set forth in the complaint, and that plaintiff must establish that the machine started up in the manner claimed, and that it was caused so to do by reason of the machine being out of repair in the respects alleged in the complaint, and specifically enumerating the defects and claims of negligence mentioned in the complaint.

Judgment for plaintiff in Circuit Court, Yamhill County, here affirmed in Supreme Court of Oregon.

SCHALLER vs. PACIFIC FACE BRICK Co.,
139 Pacific, 913. (March 24, 1914.)

Washington.

1. Injury from Elevator—Statutes of Washington—Industrial Insurance Law—Pleading and Practice.

Where an employer relies on the industrial insurance law of Washington (Laws 1911, Chap. 74), as withdrawing from the courts an action by the employee for a personal injury, he must plead and prove a compliance with the law.

2. Same—Same—Negligence of Employer—Question for Jury.

In an action for damages for injuries to an employee, caused by falling into an elevator shaft, the evidence to show that the proximate cause of the injuries was the negligent failure of the employer to maintain the gates in condition to work automatically was sufficient.

3. Same—Same—Same—Non-delegable Duty of Employer.

The duty of an employer to use reasonable care to maintain a reasonably safe place for his workmen is non-delegable, and the employer is liable for injuries to an employee caused by the negligence of a fellow-employee in the performance of such duty.

4. Same—Same—Obligation of Employer—Safe Place to Work.

The rule that an employer must use reasonable care to maintain a reasonably safe place for his workmen means that the employer must not expose employees to dangers which may be guarded against by reasonable care and diligence.

5. Same—Same—Negligence of Employer—Burden of Proof.

The burden is on the employee to make it appear more probable that the injury came in whole or in part from the employer's negligence than from any other cause.

6. Same—Same.

The evidence of the employer's failure to properly light the floor was for the jury.

7. Same—Same—Contributory Negligence.

Where an employee entered the building in which he worked a few minutes before the working hour, and took the middle passageway, but failed to throw on the lights at the switch because he did not know the location of the switch or the manner of using it, he was not as a matter of law guilty of contributory negligence so as to preclude a recovery for injuries by falling into an unguarded elevator shaft, though he knew the location of the elevator.

8. Same—Same—Assumption of Risk.

An employee assumes no risk except those which are reasonably a necessary incident to his employment, and an employee does not assume, as a matter of law, the risk of going through a passageway provided by his employer.

Digitized by Google

9. Same—Same—Independent Contractor.

An employer may not escape liability for injury to an employe who fell into an elevator shaft while being repaired, where the shaft was unguarded by reason of the breaking of a casting of the gates not caused by any act of the person who was making the repairs, on the theory that such person was an independent contractor.

10. Same—Same—Excessive Verdict.

Where a person twenty-seven years old and earning $10 a week sustained a comminuted fracture of the neck of the femur, and at the time of the trial the muscles were atrophied and the injured leg was an inch and a quarter shorter than the other, and one physician testified that it might continue to shorten and that there was a soft union, while other surgeons testified that there was a bony or fibrous union, a verdict for $4,000 would not be disturbed as excessive.

Judgment for plaintiff in Superior Court, Kings County, here affirmed in Supreme Court of Washington.

ACRES VS. FREDERICK & NELSON, INC.,
140 Pacific, 370. (April 29, 1914.)

---

1. Injuries to Stevedore—Statutes of Washington—Workman's Compensation Act—Remedy Under Statute.

Where an amended libel, in an action for personal injuries filed in a court of admiralty, alleged that libelant had received from the Industrial Insurance Commission of the State of Washington the sum of $360; that the same was a gratuitous payment from the commission out of a fund provided by said State to which the defendant had not and never had contributed; and that the amount received was not in any manner accepted as payment for any of the injuries sustained, and that the libelant has at all times refused to accept any settlement offered by the commission in satisfaction of damages for his alleged injuries, and that the libelant has received and accepted no further monies from said commission, the libel shows that the libelant, after the injuries were sustained, obtained relief under the workman's compensation act (Laws 1911, Chap. 74), which abolishes civil actions for damages by workmen for personal injuries, and he cannot proceed in admiralty for compensation for his injuries.

2. Same—Exceptions to Libel.

Exceptions to a libel, like a demurrer to a complaint, confesses all facts properly pleaded, but any statement of a conclusion which is not supported by facts set forth in the libel to sustain it will be disregarded. As the statement in the libel that the amount received from the commission "was not in any manner accepted as payment for any of the injuries sustained by libelant" is not a statement of a fact, but a conclusion, and if not supported by facts stated will be disregarded.

Exceptions to amended libel sustained in United States District Court, W. D. Washington, N. D.

THE FRED E. SANDER,
212 Federal, 545. (March 6, 1914.)

Wisconsin.

1. Death from Falling Ore—Statutes of Wisconsin—Duty to Furnish Safe Place to Work.

In the enactment of statutes (Laws 1911, Chaps. 485, 664; Sec. 2394—41, 48, 49) requiring the employer to furnish his employee a place of employment, "as free from dangers to life, and safety, as the nature of the employment would reasonably permit," and "adopt and use methods and processes reasonably adequate to render the employment and place of employment of the deceased * * * as safe as the nature (thereof) will reasonably permit" and not "to fail or neglect to do every other thing reasonably necessary to protect life, health, safety or welfare of employees," and not to "occupy or maintain any place of employment" that is "not as safe as the nature of the employment will reasonably permit," the legislature of Wisconsin quite clearly intended to substitute for the ordinary rule, requiring the master to come up to the standards of reasonable safety as to working place and working conditions, the absolute duty to make the employment and place of employment of employees not reasonably safe merely, but as safe as the nature of the employment will reasonably permit.

2. Same—Same—Workmen's Compensation Act—Construction of Statute.

In view of the history and purpose of the workmen's compensation act (Laws 1911, Chaps. 485, 664), the rule that legislation in derogation of the common law should be construed strictly against a purpose to change it has little application, and the statute should be construed liberally in favor of its purpose.

3. Same—Same—Duty to Furnish Safe Place to Work—Question for Jury—Sufficiency of Evidence.

The evidence was sufficient to take to the jury question of the failure of the employer to comply with the statutory duty to provide a place of employment as safe as the nature of the employment would reasonably permit, and to adopt and use methods reasonably adequate to render the employment reasonably safe.

4. Same—Same—Refusal to Submit Question to Jury.

Under the statutes of Wisconsin (Laws 1911, Secs. 2857-8), relating to special verdicts, in an action for the death of a workman, a request, submitting to the jury the question whether the decedent was not specifically ordered not to work in the particular place where the accident occurred presented a question as to a substantive issue and not an evidentiary fact, and it was error for the trial court to refuse to submit such question to the jury.

5. Same—Same—Error not Cured by Instructions.

In refusing to submit such question to the jury, the court committed reversible error, and the error was not cured by instructions to the jury on contributory negligence, which were such as to suggest that, even though the order was given as claimed by the defendant, the decedent might not have been guilty of contributory negligence.

6. Same—Same—Request for Specific Instruction.

The request for the submission to the jury of such a question and the exception to the refusal by the trial court were sufficient to direct the attention of the trial court to the issue and to furnish basis for complaint, without exception to the instruction as not being sufficiently specific, or a request for more specific instruction.

7. Same—Same—Excessive Damages.

Where the decedent was a common laborer, thirty-two years of age, capable of earning about $1.75 a day, an award to a widow with three minor children of $7,500 as damages was excessive.

Judgment for plaintiff in Circuit Court for Milwaukee County here reversed and remanded in the Supreme Court of Wisconsin.

SADOWSKI VS. THOMAS FURNACE COMPANY,
146 Northwestern, 770. (March 17, 1914.)

---

1. Workmen's Compensation Act—Statutes of Wisconsin—Rights against Third Persons—Assignability of Cause of Action.

Under the workmen's compensation act of Wisconsin (Stat. 1913, Sec. 2394—1-34), providing that the making of a claim against an employer for compensation under the act for the injury of an employee shall operate as an assignment of any cause of action in tort, which the employee may have against any other party for such injury, and such employer may enforce in his own name the liability of such other party, and that the making of a claim against a third party for damages shall operate as a waiver of any claim for compensation against the employer, the right of action given to the employer against such third person is assignable as any other chose in action, and the employer's assignee may sue thereon in his own name.

2. Same—Same—Construction of Statutes.

In order to be subject to judicial construction a statute must be ambigious and, if its ambiguity is not reasonably clear, the meaning of the statute will be determined from its plain language.

Demurrer by defendant to complaint by assignee of the employer overruled in Circuit Court of Milwaukee County and here affirmed in Supreme Court of Wisconsin.

MCGARVEY, AS ASSIGNEE, ETC., VS. INDEPENDENT OIL & GREASE CO.,
146 Northwestern, 895. (April 9, 1914.)

---

1. Injury from Saw—Unguarded Machinery—Statutes of Wisconsin—Construction of Statutes.

Under statutes of Wisconsin (Stat. 1911, Sec. 1636, as amended by Stat. 1911, Chap. 470), providing that saws, belting, etc., so located as to be dangerous to employees in the discharge of their duty shall be securely guarded, an employer is required to guard machinery as safely as possible consistent with the continued practical use thereof, and this duty to guard machinery may carry with it the duty to change machinery so as to make a guard practicable.

2. Same—Same—Same—Implied Repeal of Statutes.

In construing statutes, repeals by implication are not favored, and where there is nothing inconsistent or conflicting in two statutes enacted at different times, there is no repeal of the earlier statute by implication. The statute (Stat. 1911, Sec. 1636j, as amended by Laws 1911, Chap. 470), providing that saws, belting, etc., so located as to be dangerous to employees, shall

Digitized by Google

be securely guarded, construed to require that appliances shall be guarded as safely as possible consistent with the continued, practical use thereof, was not repealed by statutes (Laws 1911, Chap. 485) creating an Industrial Commission, and empowering such commission to make orders for the safety of employees, etc., since there is no inconsistency between the two statutes and they cover cases which may come under both with like effect.

3. Same—Same—Question for Jury.

Whether it is possible for an employer to cover a saw so as not to interfere with its continued practical operation, and at the same time prevent injury to employees, is, in most cases, a question for the jury.

4. Same—Same—Evidence of Experts.

In an action for injuries to an employee by contact with a saw, where the issues were whether the saw was so located as to be dangerous to employees, whether it was securely guarded, and whether it was possible to further guard it, the exclusion of the testimony of a representative of the Industrial Commission, who qualified as an expert, that the saw had been examined by him and other representatives of the commission, and that they had concluded that the saw could not be guarded, was erroneous.

5. Same—Same—Instructions to Jury.

On the trial the refusal to instruct the jury that, if it was impossible to do the required work with the saw guarded, the employer was not required to guard it, and instructions to the jury that the fact that the saw could not be operated with a guard did not affect the answer which the jury must give to the question in the special verdict, whether the unguarded saw was so located as to be dangerous to the employee in discharging his duty at the time of the accident, was reversible error.

6. Same—Same—Same—Evidence of Negligence Inadmissible.

Evidence bearing on the question of the employer's negligence in not furnishing a guard for the saw was inadmissible.

7. Same—Same—Same—Assumption of Risk.

Under the statutes of Wisconsin, the defense of assumption of risk in an action for damages for personal injuries to an employee is eliminated.

8. Same—Same—Same—Burden of Proof.

Where the employer seeks to defeat a recovery for personal injuries to an employee on the ground of contributory negligence, the employer has the burden of proving contributory negligence on the part of the employee.

9. Same—Same—Same—Sufficiency of Evidence.

On the trial the evidence was sufficient to support a finding that employee was not guilty of contributory negligence.

Judgment for plaintiff in Circuit Court, Sheboygan County, here reversed and remanded in Supreme Court of Wisconsin.

KRUECK vs. PHOENIX CHAIR COMPANY,
147 Northwestern, 41. (May 1, 1914.)

1. Injury from Knives—Unguarded Machinery—Statutes of Wisconsin—Question for Jury.

Where it appeared that employee was injured by his hand coming in contact with the knives of a machine for the removing of hair from leather, and the machine was guarded to a certain extent, but a further guard might have been used which would have prevented the accident, it could not be said as a matter of law that the employer complied with all the duties imposed upon him by the statutes of Wisconsin (Stat. 1911, Sec. 1636j; Sec. 2394—48, 49), requiring all revolving appliances, etc., so located as to be dangerous to employees, to be securely guarded, and requiring employers to furnish a safe place of employment, to use safety devices reasonably adequate to render the place of employment safe, to do everything reasonably necessary to protect the life, health and safety of the employees, and not to require or permit employees to be in a place of employment or in employment that is not reasonably safe.

2. Same—Same—Workmen's Compensation Act—Contributory Negligence.

Under the workmen's compensation act (Stat. 1911, Sec. 2394—1-71, as originally enacted, Laws 1911, Chap. 50), the defenses of assumption of risk and negligence of fellow-servant were abolished, but the defense of contributory negligence was not abolished until the next session of the legislature abolished it in cases where the negligence was not wilful.

3. Same—Same—Same—Penalties for Violation.

Under the workmen's compensation act (Laws 1911, Sec. 2394—70), which imposed a penalty of $100 to be forfeited to the State treasury for each violation of the act, the violation of that act is not made a crime, thereby depriving the one guilty of the violation of the defense of contributory negligience by the employer.

4. Same—Same—Same—Intention of Legislature.

In enacting the workmen's compensation act (Stat. 1911, Sec. 2394—1-71), the legislative purpose was that injuries from all hazards incident to the methods, process and conditions of business, however open and obvious, should be borne by the employer.

5. Same—Same—Same—Contributory Negligence.

The evidence was sufficient to warrant an inference that in arranging the leather as he did the employee pursued the customary method of operating the machine, and therefore could not, as matter of law, be held negligent so as to bar his recovery for the failure of the employer to guard the machine, as required by the statutes of Wisconsin.

Judgment of non suit in Circuit Court for Milwaukee here reversed and remanded in Supreme Court, Wisconsin.

BESNYS vs. HERMAN ZOHRLAUT LEATHER CO.,
147 Northwestern, 37. (May 1, 1914.)

---

1. Injury from Piece of Steel—Statutes of Wisconsin—Workmen's Compensation Act—Impairment of Earning Capacity—Award of Compensation.

Where the workmen's compensation act of Wisconsin (Stat. 1911, Sec. 2394—10) authorizes compensation for loss in wages such percentage of the average weekly earnings of the injured employee as represents the impairment of his earning capacity "in the employment in which he was working at the time of the accident," an employee injured by a piece of steel in his eye cannot recover for impairment of earning capacity in an employment different from that in which he was working at the time injured.

2. Same—Same—Powers of Industrial Commission—Award of Compensation—Presentation of Evidence.

Where the workmen's compensation act (Stat. 1911, Sec. 2394—19) permits the Circuit Court to set aside an award of the Industrial Commission only on the ground that the commission acted in excess of its powers, that the award was procured by fraud, and that the findings do not support it, both parties must offer all their evidence before the commission, except on issues of fraud, that being the only ground for setting aside the award on which the Circuit Court can consider facts not in the record returned by the commission.

3. Same—Same—Same.

Where the workmen's compensation act (Stat. 1911, Sec. 2394—16-19) gives either party the right to present testimony at any hearing of the Industrial Commission, but provides that the commission may, with or without notice, cause testimony to be taken or an inspection of the premises where the injury occurred, or the time books of the employer, etc., and that the testimony so taken and the results of any inspection shall be reported to the commission for consideration upon final hearing, and all ex parte testimony taken by the commission shall be reduced to writing, and either party shall have an opportunity to rebut the same on final hearing, and requires the commission, in a suit to set aside its award, to return to the Circuit Court all documents on file in the matter and all testimony which may have been taken therein, and also that each party was entitled to know what the testimony taken by the commission without notice tended to prove, it was error for the commission to consider evidence of which the parties did not know, or have an opportunity to rebut.

4. Same—Same—Findings of Commission.

The Industrial Commission has no power to make a finding not supported by any evidence whatever.

5. Same—Same—Findings Set Aside.

Under the workmen's compensation act (Stat. 1911, Sec. 2394—19), on certiorari to review the proceedings before the Industrial Commission, the trial court's conclusion will not be disturbed if in any reasonable view of the evidence its findings are supported, but if the findings are not supported by any evidence, they will be set aside.

6. Same—Same—Report of Industrial Commission.

Where the workmen's compensation act (Stat. 1911, Sec. 2394—52) authorizes the Industrial Commission to collect and publish statistical and other information relating to its jurisdiction, which was placed before the parties in a proceeding before such commission, a report by the commission might be considered as evidence.

Judgment for defendants setting aside award in Circuit Court, Dane County, here reversed and remanded in Supreme Court of Wisconsin.

INTERNATIONAL HARVESTER COMPANY vs. INDUSTRIAL COMMISSION,
147 Northwestern, 53. (May 1, 1914.)

Digitized by Google

Casualty Insurance—Surety Bonding.

Dates ahead. The following announcements have been made regarding coming conventions:

July 16-17—Southern Casualty and Surety Conference at Signal Mountain Inn, Chattanooga, Tenn.

August 20-21—American Association of Accident Underwriters at Niagara Falls, Ont.

September ——Brooklyn Safety Exhibit.

September 9-11—Detroit Conference at Hotel Shelburne, Atlantic City.

September 9-11—National Mutual Union at Hotel Shelburne, Atlantic City.

September 15-18—National Convention of Insurance Commissioners at Asheville, N. C.

September 16-18—International Claim Association at Hotel Chamberlin, Old Point Comfort, Va.

September 22-25—International Association of Casualty and Surety Underwriters joint convention with the National Association of Casualty and Surety agents at Greenbrier Hotel, White Sulphur Springs, West Virginia.

Following a conference at the New York office of the New York insurance department on Friday it was announced that all the companies writing workmen's compensation insurance but one had agreed to join the proposed **Compensation Inspection Rating Board,** and this was not because it objected to the plan proposed, but that it believes the rates low enough without any further reduction for any reason. It is expected that the organization of the board will now proceed rapidly in order that it may begin work at once and finish the inspection and classification of the factories of the State at the earliest possible time. The management of the board is in the hands of a governing committee consisting of Messrs. Frank E. Law, of the Fidelity and Casualty; Charles H. Holland, of the Royal Indemnity; John L. Train, of the Utica Mutual Compensation Company; S. H. Wolfe, of the Industrial Mutual Liability Company, and a representative of the State fund. Mr Wolfe has been elected chairman of the governing committee.

A surety "conflagration hazard" was revealed this week in the closing of the several Chicago banks and those allied in Illinois, run by the Lorimer-Munday interests. Practically every surety company in the State was involved and some of them are on depository bonds for large sums. The total of such bonds on the several banks amount to over a million and a half dollars. The Illinois insurance department and the New York insurance department began an investigation this week of the affairs of the surety companies involved. The New York companies have plenty of reserve funds to meet these emergencies. The Illinois Surety company at a special meeting of directors Thursday reduced its capital from $500,000 to $250,000, adding $250,000 to its surplus, which will fully cover its liabilities. The amounts for which the surety companies are involved will be made good to the depositors at once and the companies will have to take their chances on salvage, which at present seem to be on a 50 per cent. basis. This loss is generally regarded as one of the heaviest that has ever occurred in the history of the surety business. Depository bonds are regarded as good business, and there was nothing in the status of the Lorimer-Munday chain of banks to warrant any suspicion, according to surety men. In fact, their deposits were said to be comparatively small in proportion to the capital and surplus. At the same time, Munday has been identified with numerous promotions, and Senator Lorimer, since the Illinois senatorial investigation, has been the subject of consistent attacks along business and personal lines. Among the first of the surety companies to respond to the call was the National Surety, and its check was sent on Tuesday to meet all its obligations for city funds in the suspended banks. The company's cash on hand is more than ample to cover all its outstanding obligations on bonds. A reinsurance of $75,000 to another surety company on this loss was also paid by the National. The National had about $225,000 net. The Globe Indemnity, according to report, carried $125,000, three-fourths reinsured. The liability of the American Surety has not been stated, but it is believed to be considerable. The Royal Indemnity has no liability, having refused the risk, and the bonds of the American Fidelity had been cancelled. The amounts of depository bonds so far involved are as follows:

ON PUBLIC FUNDS.

La Salle Street Trust and Savings Bank.—American Fidelity, $75,000; Chicago Bonding and Surety, $25,000; Equitable Surety, $25,000; Globe Indemnity, $100,000; Illinois Surety, $50,000; Massachusetts Bonding, $100,000; National Surety, $200,000; Southern Surety, $75,000; United States Fidelity and Guaranty, $100,000. Total, $750,00.

Ashland-Twelfth State Bank.—Chicago Bonding and Surety, $25,000; Illinois Surety, $50,000; New England Casualty, $17,500; National Surety, $7,400. Total, $100,000.

Broadway State Bank.—Ætna Accident and Liability, $12,500; Illinois Surety, $50,000; National Surety, $25,000; New England Casualty, $12,500. Total, $100,000.

Illinois State Bank of Chicago.—Chicago Bonding and Surety, $25,000; Globe Indemnity, $25,000; National Surety, $25,000; New England Casualty, $15,000; Southern Surety, $25,000. Total, $115,000.

State Bank of Calumet.—American Surety, $30,000; Maryland Casualty, $20,000; National Surety, $55,000. Total, $105,000. Total amount on public funds, $1,170,000.

The following depository bonds covering funds of private corporations in the La Salle Street Trust and Savings Bank were reported: American Surety on funds of Franklin Insurance Co., $25,000; Ætna Accident and Liability on funds of National Life, $200,000; Ætna Accident and Liability Co. on funds of North American Life, $100,000; American Surety on funds of Title Guaranty and Surety (reinsured), $55,000; American Surety on funds of Board of Trade, $50,000. Total on private funds, $430,000. Grand total of depository bonds involved, $1,600,000.

The Chicago Bonding and Surety has plenty of surplus to pay its losses, which will not amount to more than $50,000, according to the statement of Secretary O. F. Roberts. The United States Fidelity and Guaranty has paid $100,000 to the city on the La Salle Street Bank bond and the Massachusetts Bonding has paid a like amount on the same. The Ætna Accident and Liability had reinsured the largest part of its liability on the funds of the National Life, U. S. A. The latter company, it is reported, had nearly $150,000 in the bank at the time of the failure. Attorney General Lucey of Illinois is making an investigation of the failure and prosecutions of the officials seem probable.

We learn from the *Journal* of the American Medical Association of April 25, says the *British Medical Journal,* that there is an accident insurance company in New York which employs a Christian Scientist as what is expressively called an "adjuster." He is said to be a very valuable official by reason of his ability to make people insured in the company look at their accidents from a Christian Science point of view. We can well believe that an "adjuster" who can persuade victims of an accident who want their insurance money that they are not really hurt must be worth a great deal to the company which employs him. Evidently there is an **immense field open to Christian Science practitioners** if they can convince the world of the truth of their doctrines. Not only insurance offices, but railway tramway and motor bus companies would find the risks of their business vastly diminished if they could find an adequate number of sufficiently persuasive "adjusters." The medical problems of the workmen's compensation act would cease to vex the souls of doctors and to exercise the minds of judges. Again, there is the insurance act. There are many different opinions as to that legislative creation, but on one point there is general agreement, and that is its costliness. If the principles of Christian Science were applied to the working of the act, the country would forthwith be relieved of a vast number of officials, malingering would be abolished, and the darkness of disease, that delusion of the "mortal mind," would be dissipated by the light of the gospel according to Mrs. Eddy. Only one condition need be fulfilled for this glorious dream to be realized. It is delightfully simple.

Digitized by Google

All that has to be done is that a staff of Christian Science "healers" should be appointed to go about telling people who fancy they are sick that there is nothing the matter with them. Organic lesions, fractures, growths, and the thousand natural shocks that flesh is heir to would then fade away into the nothingness from which they sprang. The very foundation on which insurance rests would crumble away. But the Chancellor of the Exchequer need have no fear about his revenue from insurance stamps, nor are the panel doctors likely to find their occupation gone. The day of deliverance from disease is not yet, and if ever it is conquered by man it may safely be foretold that Christian Science will do nothing to bring about that consummation.

In making some **actuarial comments** on the results of the recent meeting of the Actuarial Society of America, Actuary H. W. Allstrom of the Northwestern National Life says:

A subject altogether aside from life insurance now engaging the attention of a number of actuaries is that of workmen's compensation. Actuaries formerly engaged in life insurance work have gone into that line and there is much discussion of the subject at the meetings of the Actuarial Society. To mention the matter here may be inopportune, and yet it seems to me that back of it is a thought or idea that may have been unconsciously fostered by life insurance. The idea back of workmen's compensation is that every industry shall bear the cost of the wounds and disablements suffered by those engaged in that occupation. Legislation along this line has been introduced in almost every State, and passed in many. The thought in my mind is that this movement recognizes the fact that no workman can individually overcome the financial effects of a disability that he may suffer, and that it is for the good of all that this burden should be distributed. Is not this the idea of life insurance, often, I know, obscured by other facts? The man who carries life insurance does not know whether or not his family will be the one to reap the greatest benefit, but whether he lives long, or not, by joining with others in carrying life insurance he helps distribute the burden which would otherwise fall with crushing force on the dependents of those who die. This, the greatest benefit of life insurance, cannot be measured. The homes that are saved, the families kept intact by it, can never be told. Without it multitudes would become dependent on the communities in which they dwell.

A communication from President W. B. Joyce, of the National Surety, in the New York *Times* of Friday, on the subject of **dishonest employees,** says that the annual loss from defalcations by employees is estimated at about $40,000,000, using only such figures as are reported in the newspapers. These, he says, probably represent only a small part of the actual defalcations. To conceal such occurrences is a mistake, Mr. Joyce thinks, since unprosecuted defaulters furnish examples to others besides repetitions of their own. The letter concludes:

The requiring of a surety bond exercises in many instances a strong moral effect, which is supplemented by surveillance in some cases that also proves beneficial. We have corrected the habits of many men by a timely warning. Failure carefully and frequently to audit the accounts of employees is the chief reason that many defalcations grow to large sums. Employers and public examiners frequently assume that certain statements are correct, when, had they made a thorough inquiry, they would have discovered a shortage before a large amount was embezzled. Employers should place around their employees such safeguards in the way of handling accounts and in the audits as will not submit the employees to temptation. Employees should never be allowed to feel that they can safely steal without being discovered. "Opportunity makes the defaulter." Limit the opportunity as far as possible and aid the weak man to continue to be honest.

The executive committee of the **International Association of Casualty and Surety Underwriters** met on Tuesday and adopted a general plan for the programme of the meeting to be held at White Sulphur Springs in September. In place of the long addresses there will be a number of short papers on controversial subjects to be followed by ten-minute discussions. In this way, it is believed, the convention can be brought to a high degree of usefulness to those in attendance. Considerable prominence is expected to be given to surety topics on the programme. As previously announced, one session is to be a joint session with the National Association of Casualty and Surety Agents, and the dinner will be a joint dinner. The programme committee, which is composed of President Charles H. Holland, Secretary F. Robertson Jones and Treasurer George E. Taylor, will work out the details of the programme at a later meeting.

At a meeting of the executive committee of the **American Association of Accident Underwriters** in Chicago on Tuesday, Captain Samuel Clark, president of the Royal Casualty Company, was elected a member of the executive committee, taking the place of George E. Dickson, whom he succeeded as president. Ernest W. Brown, of the Inter-State Business Men's Association, was elected chairman of the executive committee, succeeding E. T. Swobe, of the National Fidelity and Casualty of Omaha, who is retiring from the business. H. C. Pegram, secretary of the Midland Casualty; Ernest W. Brown, of the Inter-State Business Men's Association, and Arthur James, manager of the casualty department of the Wisconsin National Life, were appointed a committee to formulate plans for the proposed merger of the accident insurance organizations of the country.

The Comptroller of the Currency has approved the **application to organize** the Merchants' National Bank of Detroit, Mich., capital $1,000,000; also the Security National Bank of Dallas, Tex., capital $1,500,000, to succeed the Commonwealth National Bank of Dallas, and the Guaranty State Bank and Trust Company of Dallas. The Comptroller also approved the applications to convert the People's Bank of Santa Cruz, Cal., into the Farmers' and Merchants' National Bank of Santa Cruz, capital $100,000; the Enterprise Bank, Laurens, S. C., into the Enterprise National Bank of Laurens, capital $100,000, and the People's Bank of Columbia (S. C.) into the People's National Bank of Columbia, capital $100,000.

The **New York Claim Association** has been formed by representatives of street railway, industrial and insurance corporations for co-operation in the handling of claims and for the discussions of matters that may arise under the operation of the workmen's compensation law. The annual meeting will be held in January, and the officers elected to serve until then are as follows: President, George C. Taft, Employers' Liability; first vice president, F. D. Edmunds, New York Railways Company; second vice president, B. E. Emory, Ætna Life; secretary, M. E. Graham, United States Fidelity and Guaranty; treasurer, C. A. Timewell, Standard Accident.

The first mutual workmen's compensation insurance association in Minnesota is the **Minnesota Employers' Mutual Liability,** which has been licensed by the Minnesota insurance department. Its incorporators include M. C. Tifft, formerly deputy insurance commissioner; Frank Heywood, J. A. Keating, E. F. Carlson, J. C. Shadegg, Elijah Barton, C. E. Bird, A. W. Strong, A. H. Poehler, J. Henry Cross, L. M. Powell, W. L. Bassett, T. Wold, M. J. McMichael, Herbert Pearce, N. L. Harrington, Thomas J. Warham, O. E. Davidson, G. R. Morrissey, Roy Quimby, W. E. Ford, J. E. Nelson and George W. Swanson.

The **New Amsterdam Casualty** stockholders will meet on June 29 to authorize an **increase of capital** from $400,000 to $500,000. The new stock has been subscribed for at 200 per cent., which will add a similar amount to surplus and bring that up to well over $300,000. This will enable the company to make certain advances in lines which have been contemplated for some time. President Moore and his colleagues are determined to bring the New Amsterdam into the front ranks of the big ones.

The **Interstate Casualty and Guaranty** of Albuquerque, New Mex., has been licensed and is ready for business. Accident and

Digitized by Google

health only will be written at first, but automobile lines will be taken up later. Bonding will be engaged in when the entire capital has been paid in. The officers of the company are as follows: President, A. B. Renehan; vice president and general counsel, O. N. Marron; secretary and general manager, James A. Blainey; treasurer, J. B. Herndon.

The workmen's Compensation Bureau has had the matter of a new schedule of **commissions and brokerages** for workmen's compensation business **in New York State** up for consideration at several meetings, but has been unable to agree. The amounts recommended varied from 5 per cent. to 12½ per cent. Lacking action, the rule applicable to other workmen's compensation States applies. It is expected the matter will be taken up again.

By the outcome of a test case in California, the workmen's **compensation coverage** of that State seems to be **denied to railroad employees,** who are held to be engaged in interstate commerce and therefore under the Federal compensation act. It includes the ministry, however, and the Episcopal Church has accepted this view of it. Two parishes of this denomination have already taken out policies, covering all their employees.

A majority of the agents of the **Maryland Casualty** have signified their entire satisfaction with **commission arrangements** made by President Stone in connection with the new Equity-Value policy. A meeting was held at Cincinnati this week at which the matter was fully discussed and the agreement reached.

The **London and Lancashire Idemnity Company of America** is in process of organization, to take the place of the London and Lancashire Guarantee and Accident in the United States. It is to have a capital of $750,000 and surplus of $375,000, and expects to be ready for business by August 1.

Excitement prevails in the office of the Illinois insurance department over the possible condition of the surety companies doing business in that State and every one is to be investigated, according to a Springfield dispatch, which adds that the New York department has been invited to participate.

The receivers for the **Ætna Indemnity** have been authorized by the courts to compromise certain outstanding claims against the company. In the course of the argument the receivers told the court they expected the receivership would be able to pay from 25 to 50 per cent.

The **Royal Casualty** of Chicago has elected the following officers: President, Samuel Clark; first vice president and general counsel, Claude N. Saum; second vice president and agency manager, H. R. Oliver; secretary-treasurer, George E. Hans.

Casualty and miscellaneous insurance **premiums in Oklahoma** in 1913 amounted to $960,092, an increase of nearly $100,000 over 1912. The losses paid were $595,102, as compared with $475,481 in 1912.

The new firm of **De Mott & O'Brien** has been formed in Brooklyn to represent the General Accident. Both members are favorably known Brooklyn underwriters of long experience.

The **Mid-West Casualty** is organizing at Peoria, Ill., to take over the business of the Illinois Benefit Association, a mutual with some $80,000 annual premium income.

The **doctrine** that fidelity and casualty companies are taxable on their net receipts in Illinois has been **overthrown** by a decision of the Illinois Supreme Court.

The United States Fidelity and Guaranty's Newark Branch reports that it has written a number of **policies on cyclecars.**

Personal.

AGENCY APPOINTMENTS.

Calidonian American: Brooklyn Flindell Agency, Brooklyn, N. Y.

International Life: E. C. Brandenburg, superintendent of agents for Texas, Arkansas and Oklahoma.

Massachusetts Bonding: R. M. Eacock & Co., general agents for casualty and surety lines at Oklahoma City.

Mutual Life: Paul S. Burns, manager at Boston.

Mr. Robert S. Odell, one of the veteran field men of Illinois, and recently State agent for the Fidelity-Phenix, died at the Garfield Park Hospital, Chicago, on July 15, following an operation. He was born in New York in 1850, and was with the Continental in the Western Feld from 1871 to 1890. He later traveled in the same territory for the German-American and the Connecticut, and was appointed State agent of the Phenix in 1901. Mr. Odell was one of the best-known men in that territory, and his death is deeply regretted.

Mr. John Burns, one of the best-known fire insurance agents in Tennessee, died at his home in Nashville, June 11, after an illness of several weeks. He had been in the business more than thirty years, was president of the Nashville Board a number of times, and had served as president of the Tennessee Association of Local Fire Insurance Agents.

Mr. Henry Paine, former State agent for the Continental in Iowa, died suddenly at his home in Decorah, on June 15, of heart disease. He had been on the retired list for two years. He was 66 years old and had served the company for forty-five years continuously. He began as a local agent at Decorah in 1869.

Mr. G. H. Lermit, western manager of the Northern and president of the Western Union, left Chicago Thursday for Quebec, from where he sails Saturday on the *Laurentic* with his daughters. They had engaged passage on the *Empress of Ireland,* which was wrecked, for a sailing this week.

Special Agent John H. Nelson, who has represented the County of Philadelphia Fire in the Western field for some years, has been appointed special agent for the Cleveland National Fire. He will travel Wisconsin and Michigan for that company. He is well acquainted in that field.

Cashier George F. Warch of the Newark Fire has left that company to accept a position as chief accountant with the Merchants' Fire of New York. Richard Weiss, who was chief loss clerk, is now filling the position vacated by Mr. Warch.

Mr. J. W. Bryan has resigned as president of the United Mutual Life of Pennsylvania to become assistant to Agency Director W. S. Doyle of the International Life.

Mr. R. D. Moore, former State agent of the Fidelity-Phenix in Ohio, who retired several years ago, died at his home in Cambridge, Ohio, June 14. He was 79 years old.

Mr. William B. Eblen, a veteran Ohio local agent and father of Special Agent R. E. Eblen of the Phœnix of Hartford, died June 14 at his home in Welleston.

Mr. William L. Martin, a well-known local agent of Louisville, member of the firm of Brown & Martin, died there June 16 of typhoid fever. He was 33 years old.

Mr. Louis L. Hopkins has resigned as a vice president of the Johnston & Collins agency. It is understood he will continue in the life insurance business.

Mr. George P. McMahon, who retired two years ago as Michigan special agent of the Michigan Fire and Marine, died June 19 at his home in Detroit.

Mr. Paul L. Haid has been appointed special agent of the Fidelity-Phenix for western Pennsylvania, succeeding D. C. McKelway, deceased.

Mr. R. Lee Riggs, special agent at Philadelphia for the American Insurance Company, paid a visit to the home office this week.

Mr. Griffin M. Lovelace, superintendent of agencies, recently paid a visit to the Newark office of the Connecticut Mutual.

Mr. C. M. Abbott has resigned as Indianapolis manager of the Western Indemnity of Dallas and will come East.

Treasurer Thomas D. Richardson of the Newark Fire will take a short vacation at Lake Hopatcong next week.

Mr. Roy Maybee has resigned as special agent of the Central Union Fire in Southern Missouri.

Digitized by Google

Official Reports.

Massachusetts Fire Insurance Report.

The report of the Massachusetts insurance department has just been made public, and as usual the preface to the volume contains much valuable comment from the pen of Insurance Commissioner Hardison. The accompanying tables of gains and losses cover 243 companies, of which 65 are mutual and 178 stock. Three mutuals and 73 stock show an underwriting loss of $4,728,663, while 167 mutual and stock show a gain of $24,054,866, the net gain being $19,326,203. The net gain of the 65 United States branches was $3,773,005, while that of the 109 stock companies of other States was $2,966,178. The 4 Massachusetts stock companies made a net underwriting gain of $121,696. Owing to the depreciation in securities during the year, the investment account shows a net gain of only $4,857,746, as against $20,375,403 of the year previous. The net underwriting gain of $19,326,203 in 1913 is five and a half millions less than in 1912.

Commissioner Hardison remarks on various subjects, as follows:

REINSURANCE OF MASSACHUSETTS RISKS.

For nearly twenty years there has been in effect a statute which prohibits the reinsurance of any fire risk on property in this commonwealth in a company not admitted to do business herein, except what is known as affidavit risks. The purpose of this statute was to prevent companies from assuming a larger liability than they intended to carry and then relieving themselves of that liability by reinsuring a large part of it in foreign companies at perhaps a lesser rate, thus taking the business from other companies admitted to the commonwealth and entitled in fairness to the business which by reinsurance was handed to foreig, or at least unadmitted companies. It finally dawned upon an attorney for one of the foreign companies chartered to do a reinsurance business only that the Massachusetts statute was so drawn that a company which had assumed a risk pertaining to Massachusetts property by a reinsurance agreement was not prohibited from relieving itself of a part or even the whole of its liability by a second reinsurance. The argument was that this reinsurance of the second degree was not a reinsurance of a Massachusetts risk, but was only an insurance of the company's liability, a distinction which was recognized in a long opinion by the attorney-general of the commonwealth.

As it seemed important to the insurance commissioner to preserve the original intention of the statute, namely, to have the business in Massachusetts held for admitted companies, he accordingly recommended an amendment to that statute, which was adopted, and will have the effect to keep the business in the circle of admitted companies, as it ought to be if that circle is broad enough to absorb it. That admitted companies possess a writing ability sufficient to cover nearly all Massachusetts risks is believed to be true. What fire risks cannot be so covered can with few exceptions be taken care of under the affidavit provision of the law.

It is probably true that this legislation is against the interest of reinsurance companies, that is, companies chartered for the sole purpose of doing a reinsurance business. A large number of such foreign companies have in the last few years sought admission to this country to transact business. The Massachusetts insurance department has admitted several such companies, which are in more or less active operation as reinsurers. They take no direct insurance, but make agreements or "treaties" with direct writing companies to assume concurrently a part of every risk which the direct writing company accepts of the class to which the treaty pertains. Such assumptions of liability are in turn, where the law does not prohibit, parceled out to other foreign companies not admitted to do business in this country, under other treaties which serve to spread the liability on any one risk among many companies, which it must be assumed have sufficient financial responsibility so that the foreign insurance companies which are working in this territory have confidence in their ability to fulfill their obligations. Nevertheless, as far forth as American capital and foreign capital is willing to seek authority in this commonwealth to transact an insurance business to that extent it would seem just that they be given the preference over that foreign capital which stays in the background, reaping where others have sown.

It has been urged that a general prohibition of the right of an admitted reinsurance company to make treaties with unadmitted foreign reinsurance companies for the purpose of relieving itself of a portion of its liability assumed here will have the effect of driving reinsurance companies from this country, which, it is claimed, would be undesirable, especially for those States where there are concentrated values so vast that it is impossible to find insurance sufficient to cover them, even by calling upon all classes of insurers everywhere. That such prohibition as is contemplated by the Massachusetts law will cause the admitted reinsurance companies some inconvenience is doubtless true, but that it will cause them to cease doing business where they have found business profitable is not believed. It may also cause direct writing companies to change their methods somewhat. Instead of delivering all the liability which it does not choose to carry itself on a big risk to a reinsurance company with which it has a treaty, a direct writing company may have to make its arrangements with several reinsurance companies to take its excess, for the reason that the reinsurance companies cannot, with the prohibition in effect, unload their burdens on unauthorized foreign companies; or admitted reinsuring companies may make reinsurance arrangements among themselves to handle excess lines. At any rate, some way will be found to take care of the business as long as there is any profit in it. Furthermore, there need be but little concern that Massachusetts risks will be left without coverage as long as the statute pertaining to affidavit risks remains in force.

ALL-EMBRACING CHARTERS.

There is another phase of the reinsurance question which has been forcing itself upon public attention, and that is the contention that a reinsurance company ought to be given authority to reinsure all kinds or classes of risks, in spite of the fact that in this country it has always been considered sound policy to confine a direct writing company to covering only certain classes, as, for instance, life and accident, or fire and marine, in the same company. In foreign countries it is true the practice is different. There a company is permitted to write all kinds of insurance, even the most hazardous, at the same time writing life insurance, and generally without government supervision. It is a fact that there has been a growing tendency in this country to break over our old established rule. In this commonwealth within the last twenty years the number of lines that may be written by an insurance company have been greatly increased, so that now with a capital of a million dollars a company may cover a wide variety of what are known as casualty hazards. It is now attempted to push this even further. In a neighboring State a company has been specially chartered to do all kinds of insurance business. It is, however, not a direct writing company, but must confine its business to reinsurance. Its application for admission to another State raised the question in that State whether a reinsurance company should be given greater latitude in the kinds of insurance it may assume to write than a company which takes business by direct policies issued to the insured. The question was not pressed for a settlement, as legislation was necessary in the State applied to in order to admit the applicant to cover the whole insurance field. But it is bound to come up later in every State, and be broadened out to the wider issue of permitting all insurance companies to assume all kinds of risks, thus doing away with the old distinctions of fire and marine insurance companies, whose transactions are reported in this commonwealth in the large volume of which this comment is a part, and also giving to life insurance companies, which have hitherto devoted their energies to insuring lives and conserving the funds which come into their possession for guaranteeing the payment of their obligations, the right to enter the field now occupied solely by fire insurance companies, as well as all other fields.

It would appear self-evident that if a reinsurance company may be granted such privilege without hazard to the public, a direct writing company may also be granted such privilege, for the reinsurance company would depend in no degree for success upon its skill in underwriting, for it exercises none. It merely assumes a part of all risks written by direct writing companies with which it has an agreement. It has no chance for selection of specific risks, but only for the selection of companies with which to make agreements. It therefore can be no more favored with respect to losses than the average of the companies with which it transacts business. The best of those companies would have a more favorable loss ratio than the reinsurance company, and, other things being equal, would be more safe for transacting a business embracing all lines than a reinsurance company. The important question is, therefore, are we in this country ready to adopt the continental policy of allowing insurance companies to write all lines of insurance? If this were done it is not to be expected that our conservative old life insur-

Digitized by Google

ance companies, for instance, would at once rush into new fields and thus cause anxiety to their policyholders, but nevertheless there would be a constant pressure which in time would effect many changes. It comes from many sources, one of which is the agents. No new idea can be adopted by any company that the agents of other companies do not urge, and often with great insistence, their own companies to adopt it when it affords them any argument for increasing their business or their income.

The situation is one that will have to be met in the near future, for there is an aggressiveness back of the proposition which will press the issue and win if the conservative elements in the insurance field make no move in opposition. The change is not necessarily dangerous because it is a change, but it should not be adopted until it has had most careful consideration in order to determine beforehand, if possible, whether it will operate as well in this country as in older ones, where business is conducted on a less high-pressure basis than by some corporations here.

COMBINATION POLICIES AND PREMIUMS.

With the accomplishment of the purpose of combining lines of insurance without limit, the ambition of its proponents would then be, unless all signs fail, to secure authority to issue combination policies with combination premiums. And they would seem to be natural and logical. In other words, the ultimate goal would be a policy that for a lump sum as premium would, besides insuring a man's life, insure him against the contingency of disability from accident or disease, against loss by fire, explosions, liability on account of injury to persons and property, burglary and theft, loss by bad debts or defective titles, compensation to injured employees and so on through the whole list. That this is not wholly fanciful is evident from the fact that combination policies have been presented which include insurance against more than a single class of contingencies as set forth in the law, and, moreover, there have been attempts to include in one premium the cost of the whole combination policy, without any division to show the cost for each contingency. In some States this is now being done without objection. But it is not difficult to see what the result is likely to be. It will furnish a prolific opportunity for rebates, rate-cutting and attendant evils and abuses which are invited by departures from simple and comprehensible transactions. The more complex and involved the proposition the easier it is to work out schemes which involve features which are not generally understood, and which if understood would not succeed. Consequently, the present Massachusetts idea that an insurance contract issued here shall cover only one class or kind of insurance is an invaluable protection to the public, notwithstanding the fact that there are some who would like to have several classes covered in the same policy. It is in the interest of simplicity, gives the insured knowledge as to the cost of his various kinds of insurance, and furnishes to insurance departments a basis for keeping statistics which will show to some extent whether the charges for a given line of insurance are proper, and consequently whether the reserves carried, which are based on premiums, are adequate for the protection of the public.

UNIFORM CLASSIFICATION OF FIRE RISKS.

There have been many attempts during the last few years to ascertain the basis on which fire insurance rates are made, for the purpose of determining whether rates for the various classes are fair and equitable. It has developed that there is no uniform rule for the classification of fire risks. Each company adopts its own basis, and it is therefore impracticable to combine the experience of the various companies. We have besides this been told by many fire insurance men that classification statistics have little or no practical value except as profit and loss accounts, and are useless for rate-making purposes; hence they have not attempted to combine statistics and thus form any basis for fixing rates or for giving others such basis for determining the propriety of the rates which the companies charge.

Of late, however, from pressure that has been brought to bear by the enactment of laws in several States, and by a quite general agitation of the subject of rate-making in numerous other States, the companies have been giving considerable attention to the matter of adopting a uniform classification of fire risks. In fact, the National Board of Fire Underwriters have appointed a committee which, in conjunction with a similar committee of the Insurance Commissioners' association, are now engaged in working out a plan or schedule for uniform classification of fire losses in order that there may be available in the future statistics of loss experience on the several classes of risks which may be established.

Such classification experience covering an ample period will without doubt be of great service in testing fire rates, although it may prove true, as held by many fire insurance men, that other considerations must be taken into account than the experience so furnished. But whatever the final result may prove to be, a beginning has certainly been made in bringing the companies and the insurance commissioners together for formulating a uniform schedule for classification for reporting losses. It is hoped that this work will be far enough advanced at the time of the meeting of the insurance commissioners in September to enable the committee in charge of it for the commissioners to report at least a tentative schedule for consideration.

RATE MAKING BY STATES LAWFUL.

The necessity for the classification of the experience of fire insurance companies and its proper tabulation seems to be all the more evident since the promulgation of the progressive opinion recently handed down by the United States Supreme Court, to the effect that a State may prescribe the rates at which fire insurance shall be written by insurance companies if written at all. Although given this right as a matter of law, a State would stand almost helpless for its exercise in anything but a tentative and uncertain way unless it were enabled to find a basis for making a start in the classified loss experience of the past, or in the rates that are now in effect, influenced by to some extent, at least, if not derived from that experience. How soon the States generally will avail themselves of this right now affirmed by the court is uncertain; but it is safe to say that the decision is one which will have a very important bearing upon the future of insurance, since it opens wide the door of opportunity, as it goes to the full length in affirming the authority of the States over what has been generally regarded as a private business, and no more subject to price regulation than other branches of private business.

THE SEPARATION OF ACCOUNTS.

The committee of the legislature on insurance, to whom were referred the recommendations of the insurance commissioner, reported a bill the substance of which is the following:

> Every insurance company authorized to transact business in this commonwealth, which issues both participating and non-participating policies, shall keep the accounts pertaining specifically to each of the two classes separate and distinct from those of the other class and shall apportion any general outlays of the company to each of such classes of business. The details of such separation and apportionment shall be subject to approval by the insurance commissioner, who may refuse to license or relicense any company which neglects or refuses to comply with the requirements of this act.

The following are the reasons which to the mind of the insurance commissioner are conclusive as to why a measure of this kind should be enacted into law in this commonwealth:

1. The bill is a necessary supplement to a provision of the present law which requires that the insurance department ascertain the equity of a company's dealing with its policyholders. Unless participating and non-participating accounts are kept separate, equity between the two classes cannot be determined.

2. The issue is likely to become important, as stock companies doing certain classes of business have been considering the advisibility of issuing participating policies. Should such companies issue both classes of policies it would be essential to determine whether the profits of the participating class are correctly credited. This could be done only by a separation of accounts.

3. At least two cases have arisen where there have been long and expensive lawsuits to determine rights where the companies were issuing both participating and non-participating policies. In one case the accounts were so hopelessly mingled that it was impossible to unscramble them. In another company there is now an attempt to arrive at a proper separation of such accounts. Possibilities of confusion are just as menacing as long as no authority is given any one by the State to see to it that such accounts are kept separate.

4. Separation of accounts is a requirement that no company which has nothing to conceal should oppose. The very fact that a company objects to such separation shows tha tit is not one in which the public may implicitly trust. The commissioner should have power to act before harm is done.

5. Such a law would have a salutary effect not only in separating the accounts of the two systems, but in toning up the general accounting methods of such a company. Slipshod accounts never kept up-to-date are a public menace.

6. No retaliatory law of another State could apply to harm any Massachusetts company that is keeping its accounts as this bill would require that the accounts of all companies should be kept, for manifestly there would be nothing on which to base retaliation. Massachusetts would say to companies of another State by authority of the bill, "separate your participating and non-participating accounts." That other State might retaliate

Digitized by Google

by saying to Massachusetts companies, "separate your participating and non-participating accounts;" but under this bill the accounts of Massachusetts companies would be already separated and no chance for retaliation be presented.

DEPARTMENT FINANCES.

During the fiscal year ending November 30, 1913, the insurance department collected fees as required under the law amounting to $112,251. The expenditures amounted to $89,556.65, leaving a net surplus accruing to the commonwealth of $22,694.35.

Miscellany.

Mortality from Cancer in Different Occupations.

An address on "The Mortality from Cancer in Different Occupations" was given by Frederick L. Hoffman, statistician for the Prudential, at a meeting of the American Academy of Medicine at Atlantic City to-day. Mr. Hoffman prepared his article with his usual thoroughness, and after careful research into the records, and it was listened to with deep interest. Mr. Hoffman said in part:

A review of the more important works on cancer in its relation to occupation and the available statistical information on the subject fails to provide an entirely satisfactory basis for definite conclusions. The statistical studies of the subject are, as a rule, not with reference to organs and parts of the body affected, so that the resulting rates, though occasionally suggestive, are in but very few instances entirely and safely conclusive. The classical illustration of chimney-sweeps' cancer is too well known to require further discussion. The well-known excessive incidence of cancerous growth in this occupation, however, suggests a well-established relation between the conditions under which the work is done and the resulting exceptional liability to cancerous growths. The evidence is less conclusive regarding gardeners' cancer, but in this case also the statistical evidence seems to sustain medical observation to the effect that this occupation under certain conditions is one with a definite liability toward more than normal cancer frequency. Still more conclusive is the evidence with regard to cancer occurrence in the coal-tar and pitch industries, both in the form of cancerous ulceration of the skin and of the corneal surface of the eye. The same conclusion applies to the frequency of cancer in the patent fuel industry of England and South Wales, but as yet no corresponding evidence has been forthcoming regarding the same industries in the United States. Whether there is a distinct relationship of alcoholism to cancerous growths is not established by the evidence at present available, but apparently brewers, maltsters, and men in similar occupations are subject to predisposing conditions possibly inherent in the character of the work done, with a resulting specific liability to cancer.

Cancer is also apparently of more than normal frequency among blast furnace employees, but this conclusion requires further investigation. An important study has been made of the frequency of malignant disease of the lungs among the miners of the Schneeberg district of Saxony, but no corresponding evidence has been forthcoming for other mining districts of the world. Agricultural workers have been shown by German investigations to be especially subject to cancer of the skin, which suggests a possible inter-relation of cancer occurrence in plants, animals and man. The investigations by Green regarding the relation of coal-soot exposure to malignant disease are suggestive of still more important and practically useful discoveries in the future. The principle of cancer causation laid down by Green is explained by him to also account for the higher mortality from malignant disease among furriers and skinners, seamen, tin-plate manufacturers, lead workers, India-rubber workers, guana workers, and persons exposed to X-rays.

The statistical data of the present investigation are limited to the returns of the Registrar-General of England and Wales for 1892-1902 and the experience data of the Prudential Insurance Company of America, 1907-1912. The study includes a brief review of the occupation mortality statistics collected by cancer census inquiries, particularly those of Germany, Hungary and Sweden. As a rule, the statistics are not sufficient in detail for strictly scientific purposes, but the available material suggests the direction in which such inquiries could without much difficulty be made to serve a much more practical purpose than has heretofore been the case. This conclusion applies especially to the required distinction of age and organs and parts of the body affected. It requires further to be kept in mind that the numerous factors which condition occupation mortality from all causes are extremely variable and that, therefore, exceptional care is necessary in this particular direction of cancer research. The most useful results are likely to be obtained by thoroughly specialized studies of particular occupations. As brought out by this inquiry, occupational or industrial groups are not likely to yield conclusive and practically useful results.

A Hotel and Restaurant Hazard.

By Charles C. Dominge, Insurance Engineer.

One of the "most common" causes attributed to fire in the above class of risks is the ignition of greasy vapors in the vent pipe of the kitchen hoods caused by flash fires on the coal or gas ranges, broilers or griddles. These vent pipes in many cases are of very light material (entirely inadequate to withstand grease fires) and are sometimes soldered at the joints. The vent pipes or flues should be constructed no less substantially than the brick flues or heavy iron stacks of steam boilers.

The New York Board of Fire Underwriters is now requiring all vent hoods to be equipped with a steam jet connection (¾-inch to 1-inch piping) with an ordinary hand valve close by, to be turned on should a fire occur in the vent. In some breweries the steam jet connected to the malt mill and the elevator leg is made automatic in the following manner:

Have the steam pipe connected (with steam trap) direct to a safety valve arranged to be normally open by means of a counterweight. Fasten a twine to end of lever holding counterweight, over a loop with weight attached to keep safety valve closed; then insert twine in and across vent flue and fasten to outside wall. In the event of a fire in the flue the twine would burn and automatically release the steam, the operation being similar to that now used in many malt mills. In my opinion this would be a more efficient way of safeguarding this important hazard.

Insurance Legislation.

Louisiana.

BATON ROUGE, Jun 16.—House Bill 20, to require insurers to examine the books of applicants for fire insurance has been passed by the House.

House Bill 47, correcting the fire marshal law, has been passed by both Houses.

House Bill 110, to tax fire insurance for the support of fire departments has been ordered to third reading.

House Bill 263, providing a penalty of 12 per cent. for failure by surety companies to settle losses promptly has passed third reading in the House.

Bills introduced:

House Bill 188 (Roberts), requiring employers to furnish safe tools, etc., for their employees, defining limit of risk assumed by employees, and defining their rights to sue and collect damages for death or injury. Referred to the committee on capital and labor.

House Bill 246 (Koppel), forbidding publication of false statements concerning the financial conditions of any domestic life or fire insurance company. Referred to the committee on banks and banking.

House Bill 326 (Leopold), authorizing and regulating reciprocal or inter-insurance companies. Reported adversely by the committee on corporations, and returned to the calendar subject to call.

House Bill 499 (Tete), to prohibit misrepresentation, rebating, twisting, and embezzlement by life insurance agents.

House Bill 500 (Tete), relating to the provisions of accident and health insurance policies. Provides that policy forms shall be filed in the office of the secretary of State, and that stipulations conflicting with the standard provisions shall be barred;

Digitized by Google

that unintentional and immaterial misstatements in the application shall not be a defense upon suit; declaring that certain acts of the insurer shall not constitute a waiver on the part of the insurer; and prohibiting discriminative rates.

House Bill 501 (Tete), prohibiting the use by new companies of any name already in use by a licensed insurance company, or a name so resembling any such name, as to deceive applicants.

House Bill 502 (Tete), provides for licensing fire insurance brokers.

House Bill 503 (Tete), relative to embezzlement by insurance agents.

House Bill 505 (Johnson), requires every fire insurance company, authorized to do business in Louisiana to file annually with the secretary of State on a form furnished by him, a tabulated statement showing a complete classification of its premium receipts and fire losses in Louisiana for the previous year, as well as the amounts insured under each particular class, and providing that any company refusing to comply with this act shall be denied their authority to do business in Louisiana.

Governor Hall has signed House Bill 150, the workmen's compensation bill, and it will become law immediately upon promulgation.

House Bill 263, requiring surety companies to settle losses within sixty days after proofs of loss have been filed, under a penalty of 12 per cent. addition, has passed the House.

House Bill 326, to authorize certain reciprocal or interinsurance contracts, has been returned to the calendar subject to call.

Senate Bill 165 (Mouton) would require fire and casualty companies to pay resident agents the full commission on all Louisiana business, no matter by whom placed.

The Senate has killed House Bill 20, which would have required fire insurance companies to examine the books of applicants for insurance in order to justify the amounts insured for.

United States Congress.

WASHINGTON, June 13.—House Bill 17139 (Carter), which has been referred to the committee on post-office and post rules, provides that no company, or representative thereof, shall be permitted to use the mails for the purpose of effecting insurance upon persons or property situated in any State or Territory of the United States when such company is unauthorized to transact an insurance business in such State or Territory.

Secretary of the Treasury McAdoo has sent a recommendation to Congress asking the enactment of amendments to the income tax law requiring all corporations, joint stock companies or associations and insurance companies to report the ownership of its stock and the dividends paid them during any given period, also permitting the examination of all books and papers of any corporation or individual suspected by the treasury department of failing to report all its business for taxation.

Build Your Own Business

Organized 1850

under our direct general agency contract. This is a liberal proposition for which men of ability can qualify. A few exceptional opportunities are open at present. For particulars, address:

JOHN F. ROCHE, Vice-President

The Manhattan Life Insurance Co.

66 Broadway, New York

CONTINENTAL CASUALTY COMPANY CONTINENTAL ASSURANCE COMPANY

H.G.B.Alexander. Pres.

General Offices Chicago

INSURANCE HEALTH AND ACCIDENT LIFE

Company's Office Building.

Prevent Losses

by using our special short form bond, which guarantees absolute protection against dishonesty, either directly or through connivance with others.

This bond is issued in Individual or Schedule Form and covers Officers, Employees and Field Force. Write for a copy and our Special Proposition for Insurance Companies.

American Surety Company

OF NEW YORK

Home Office: 100 Broadway, New York

The Largest Surety Company in the World

Branch Offices at Larger Cities: Over 11,000 Agencies Elsewhere

Digitized by Google

The Employers' Liability Assurance Corporation

(LIMITED)

OF LONDON, ENGLAND

$5,935,585.61

deposited in the United States for the benefit of United States Policyholders

SAMUEL APPLETON, United States Manager
Employers' Liability Building, 88 Broad Street, Boston, Mass.

DWIGHT & HILLES
Resident Managers for New York State,
56 Maiden Lane, New York.

PERMANENT AND PROGRESSIVE
ORGANIZED 1886
NORTH AMERICAN ACCIDENT INSURANCE CO.
THE ROOKERY
CHICAGO
AGENCY OPENINGS IN
44 STATES

MEN WHO CAN DO THE WORK

are offered remunerative positions as field representatives in desirable territory. Good places are always open to the right men—those who can produce applications and collect premiums.

UNION MUTUAL LIFE INSURANCE COMPANY
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address ALBERT E. AWDE, Supt., 396 Congress Street, Portland, Maine.

London Assurance Corporation

CHARTERED A. D. 1720
STATEMENT JANUARY 1st, 1912

Assets in U. S.,	$3,747 331
Liabilities in U. S., including Re-insurance Reserve,	2,520,923
Net Surplus,	1.226,408

Losses Paid in the United States over $29,000,000
CHAS. LYMAN CASE, Manager.
84 William Street New York

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.
OFFICE:
25 LIBERTY STREET.

London & Lancashire Fire Insurance Co., Ltd.

OF LIVERPOOL, ENGLAND

LONDON & LANCASHIRE FIRE INSURANCE COMPANY LTD.

EASTERN DEPARTMENT
Hartford
CONN.

A. G. McIlwaine, Jr.
Manager

204TH YEAR

SUN INSURANCE OFFICE

OF LONDON

FOUNDED 1710

United States Branch: 54 PINE STREET, NEW YORK

Western Department:
39 South La Salle Street
CHICAGO

Pacific Department:
N. W. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

GERMANIA FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

STATEMENT, JANUARY 1, 1914

Cash Capital	$1,000,000.00
Assets	$7,260,197.27
Net Surplus	$2,596,266.99
Surplus for Policy Holders	$3,596,266.99

HEAD OFFICE: Cor. William and Cedar Streets

REPRESENT A WESTERN COMPANY

The Reserve Loan Life Insurance Co.

INDIANAPOLIS
OPERATES UNDER THE
COMPULSORY DEPOSIT LAW of Indiana
RELIABLE AGENTS WANTED
Address: W. K. BELLIS, Secretary

ILLINOIS LIFE

INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

10 SOUTH LA SALLE AT MADISON STREET

Digitized by Google

ROYAL LIFE INSURANCE COMPANY

Capital $100,000

Proposes to operate in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin.

CAPITAL and RESERVE to be deposited with the State for the protection of policy and stock holders.

Organization work is nearly completed.

Will enter the field with an organized Medical Staff and Agency Force.

Contracts for Superintendents, Assistants and Agents are different from any ever made by an Industrial and Ordinary Company.

Correspondence treated confidentially.

ALFRED CLOVER
PRESIDENT
HEAD OFFICE
108 South La Salle St.
CHICAGO, ILL.

Illinois Surety Company

Home Office: 134 South La Salle Street
CHICAGO

WE ISSUE COURT, CONTRACT, FIDELITY AND OFFICIAL BONDS

Local Agents Wanted Everywhere

A Word to the Wise is Sufficient

Grow Up With a Growing Company

INSURANCE IN FORCE
Over $100,000,000.00

Pittsburgh Life and Trust Co.

HOME OFFICE, PITTSBURGH, PA.

W. C. BALDWIN, President
HOWARD S. SUTPHEN, Director of Agencies

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$5,000,000.00
Cash Assets	22,481,250.34
Total Liabilities	10,571,860.45
Net Surplus	6,909,389.89
Surplus for Policyholders	11,909,389.89
Losses Paid in 95 Years	138,501,348.36

WM. B. CLARK, President.
Vice Presidents:
HENRY E. REES, A. N. WILLIAMS,
E. J. SLOAN, Secretary.
E. S. ALLEN, GUY E. BEARDSLEY, RALPH B. IVES, } Assistant Secretaries
W. F. WHITTELSEY, JR., Marine Secretary.

WESTERN BRANCH, 175 W. Jackson Boulevard, Chicago, Ill.
THOS. E. GALLAGHER, Gen'l Agt.
L. O. KOHTZ, Asst. Gen'l Agt. and Marine Gen'l Agt.

PACIFIC BRANCH, 301 California St., San Francisco, Cal.
WM. H. BREEDING, Gen'l Agent.
E. S. LIVINGSTON, Asst. Gen'l Agent.

MARINE DEPARTMENT:
CHICAGO, 175 W. Jackson Boulevard. NEW YORK, 63-65 Beaver St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.
SAN FRANCISCO: 301 California Street

Do you know that
Security Mutual Life Insurance Company
BINGHAMTON, N. Y.
FREDRIC W. JENKINS, President
has GOOD THINGS to offer GOOD MEN. If not, learn about them by addressing for particulars
C. H. JACKSON, Supt. of Agencies

"Two of the Oldest and Strongest Fire Insurance Companies of France"

General Fire Assurance Company
OF PARIS, FRANCE
ESTABLISHED 1819

Urbaine Fire Insurance Company
OF PARIS, FRANCE
ESTABLISHED 1838

Agencies Desired in the Principal Cities and Towns

FRED. S. JAMES & CO.
UNITED STATES MANAGERS
NO. 123 WILLIAM STREET
NEW YORK CITY

FRED. S. JAMES GEO. W. BLOSSOM

Digitized by Google

AMERICAN CENTRAL LIFE
INSURANCE COMPANY

INDIANAPOLIS, IND.
Established 1899

HERBERT M. WOOLLEN
PRESIDENT

PHŒNIX
ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
FIRE—USE AND OCCUPANCY—TORNADO, SPRINKLER LEAKAGE
HEAD OFFICE FOR THE UNITED STATES
100 WILLIAM STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY
LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1914	$4,302,768.37
Total Liabilities, except Capital	2,052,131.47
Capital	500,000.00
Surplus to Policyholders	2,250,636.90

F. F. BUELL, Special Agent, Troy, N. Y.
E. J. PARMELEE, Special Agent, Syracuse.

(FIRE)
German American Insurance Company
New York
STATEMENT JANUARY 1, 1914
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,479,063
NET SURPLUS
9,245,855
ASSETS
21,724,918

CHARTERED 1811
NEWARK FIRE INSURANCE COMPANY
NEWARK, N. J.

THE OLDEST FIRE INSURANCE COMPANY IN NEW JERSEY — NEWARK — CHARTERED 1811

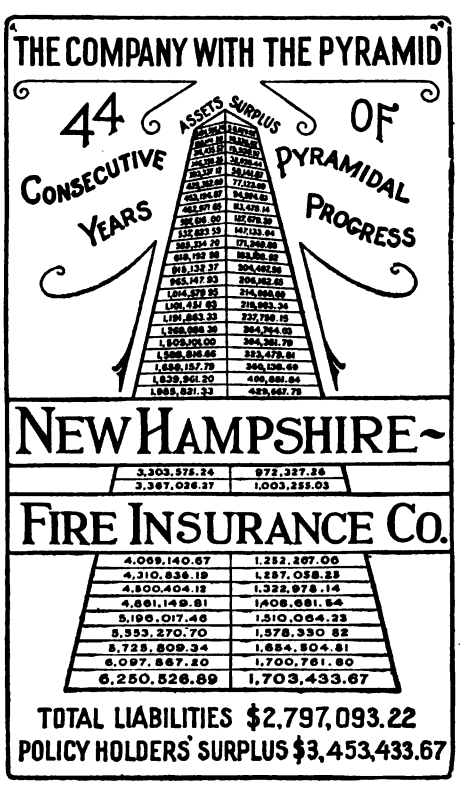
STATEMENT JANUARY 1, 1914

Assets, . . .	$2,009,892.00
Capital, ...	500,000.00
Surplus to Policy Holders, . . .	1,108,033.00

YOUR CARD
as a representative of the "Oldest Life Insurance Company in America" will prove your best introduction
The Mutual Life Insurance Company
OF NEW YORK
Impregnable Strength
Incomparable Dividends
Maximum Benefits
Minimum Net Cost
For Terms to Producing Agents, address
GEORGE T. DEXTER, 2d Vice-President
34 Nassau Street - - - New York, N. Y.

GOOD SERVICE
is the foundation upon which to erect a successful business.
Brief, liberal, clearly expressed policies, with guaranteed low cost, are serviceable alike to policyholders and agents.
Specimens of Life, Accident or Health policies cheerfully furnished.
For agencies address
The Columbian National Life Insurance Co.
BOSTON, MASS.
Arthur E. Childs, Pres. Wm. C. Johnson, Vice-Pres. and Gen. Mgr.

Ambitious, productive and trustworthy Life Agents may be benefitted by corresponding with the
BERKSHIRE LIFE INSURANCE COMPANY
OF PITTSFIELD, MASS.
INC. 1851
New policies with modern provisions
Attractive Literature
W. D. WYMAN, President W. S. WELD, Supt. of Agencies



Digitized by Google

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
80 William Street.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, Asst. Deputy Manager.
T. A. WEED, Agency Superintendent.

CHICAGO OFFICE:
Insurance Exchange Building.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
Corner Carondelet and Common Streets.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
R. H. COLCOCK, Jr., Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 California Street.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

R. P. FABJ, Manager.
THOS. H. ANDERSON, Assistant Manager.

"IT PAYS TO WORK FOR

THE UNION CENTRAL"

LIFE INSURANCE CO.

OF CINCINNATI, O.

Because of its large returns and **low net cost** to policy-holders. Satisfied policy-holders, and many of them mean satisfied agents. For agencies address

ALLAN WATERS, Sup't.
JESSE R. CLARK, Pres't.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

Digitized by Google

The Provident Life and Trust Company
OF PHILADELPHIA, PA.

"I confess I had not thought of it in that way. I see that if I were to die and all my insurance were to be invested, the interest would not pay the rent of the house I am living in."

This is what our agents hear every business day of the year.

How much income will the face value of your insurance bring to your beneficiary after your death?

Write for information as to Income Policies

HOME LIFE INSURANCE COMPANY
OF NEW YORK

The fifty-fourth annual statement of the Home Life Insurance Company, of which George E. Ide is President, appears in the Herald's advertising columns this morning. It shows substantial progress along conservative lines. Assets increased during the year to more than $29,000,000, after paying to policy-holders nearly $3,000,000, including $540,000 in dividends. The insurance in force is more than $116,000,000, being an increase during the year of nearly $5,750,000—*New York Herald, January 22, 1914.*

For Agency Apply to
GEO. W. MURRAY, Supt. of Agents
256 Broadway, New York, N. Y.

Insurance Company of North America

PHILADELPHIA

CAPITAL, $4,000,000.00

FIRE — MARINE
RENT — INLAND
AUTOMOBILE
TOURIST — MOTORBOAT
LEASEHOLD — PARCEL POST

Agents in all the principal cities and towns.

EUGENE L. ELLISON, President.
BENJAMIN RUSH, Vice President. JOHN O. PLATT, Second Vice President.
T. HOUARD WRIGHT, Secretary. SHELDON CATLIN, Assistant Secretary.

Offices in New York: Fire, 95 and 97 William Street; Marine, 27 William Street.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Chartered 1874
HOME OFFICE: 47 CEDAR STREET, NEW YORK

An old and well established company, progressive and up-to-date in its methods.

PERSONAL ACCIDENT
PLATE GLASS — HEALTH
INSURANCE

E. H. WINSLOW, President

RELIABLE AND ENERGETIC AGENTS WANTED

The William H. Kenzel Company
23 LIBERTY STREET, NEW YORK

REPRESENTING

STERLING
FIRE INSURANCE COMPANY
Of Indianapolis, Ind.

COMMERCE
INSURANCE COMPANY
Of Albany, N. Y.

The REPUBLIC UNDERWRITERS
Of Dallas, Texas

The COLUMBIAN NATIONAL
FIRE INSURANCE COMPANY
Of Detroit, Mich.

Digitized by Google

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company. The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, Pittsburgh, San Francisco, Kansas City and Baltimore.

ASSETS.
(According to the annual report filed with the New York State Department.)

Municipal and R. R. Bonds and Stocks	$191,891,341.42
Bonds and Mortgages	187,471,973.36
Real Estate	24,738,739.79
Cash	4,281,945.76
Loans to Policyholders	24,258,644.49
Premiums, deferred and in course of collection (net)	9,062,094.42
Accrued Interests, Rents, etc.	6,124,489.92
Total	$447,829,229.16

LIABILITIES.

Dividends Apportioned, payable 1914, on Participating Policies, Intermediate Branch	$1,488,213.91
Same on Participating Policies, Ordinary Dept.	205,847.72
Bonuses Apportioned, payable 1914, on Industrial Policies	$6,334,191.98
	$8,028,253.61
Reinsurance Fund	396,744,033.00
All other Liabilities	7,472,040.90
Capital and Surplus	35,584,901.65
Total	$447,829,229.16

Largest Office Building in the World—Madison Avenue Fourth Avenue, 23rd Street and 24th Street, New York City.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1913:

549 per day in Number of Claims Paid.
7,895 per day in Number of Policies Issued and Revived.
$1,676,339 per day in New Insurance Issued and Revived.
$286,288.02 per day in Payments to Policyholders and addition to Reserve.
$164,025.94 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
LEE K. FRANKEL, Ph.D..6th Vice President
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
WILLIAM J. TULLY.....General Solicitor
DAVID F. BUTCHER.....General Attorney
GEORGE B. SCOTT, Asst. Sec'y and Mgr. Pacific Coast
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
JAMES V. BARRY.....Assistant Secretary
CHARLES G. REITER.....Assistant Actuary
JAMES C. BROWN.....Assistant Actuary
JAMES D. CRAIG.....Assistant Actuary
RAYMOND V. CARPENTER...Asst. Actuary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Asst. Secretary
T. R. RICHARDSON.....Asst. Secretary
GEORGE C. PENHALLOW...Asst. Secretary
W. S. MANNERS, M. D...Asst. Med. Direct.
E. M. HOLDEN, M. D.....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
HENRY W. GEORGE.....Assistant Treasurer
WALTER R. QUICK.....Auditor
I. J. CAHEN.....Manager Ordinary Dept.
JACOB CHADEAYNE, Manager Intermediate Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $848,271,188.61.
Number of Policies in Force, 13,957,748. Amount of Outstanding Insurance, $2,816,504,462.

A BIG FIRST QUARTER!

January, February and March each far exceeded in new business the same months in 1913. And this first quarter rolled up the biggest total of any first quarter in the company's history. Reasons: Up-to-date policy contracts, low net cost, company's reputation, satisfied and prosperous representatives. Have you met the Massachusetts Mutual in *competition?* Would you like to meet it *as one of its representatives?*

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Incorporated 1851 **Springfield, Massachusetts**

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST LARGEST STRONGEST
SOUTHERN LIFE INSURANCE COMPANY

Issues the Most Liberal Forms of Policies from $1,000 to $50,000

CONDITION ON DECEMBER 31, 1913:

Assets	$9,746,273 87
Liabilities	8,113,997 41
Capital and Surplus	1,632,276 46
Insurance in Force	94,668,092 00
Payments to Policyholders since Organization	14,138,137 61
Is Paying its Policyholders nearly (annually)	1,250,000 00

GOOD TERRITORY FOR LIVE AGENTS

National Life Insurance Company

JOS. A. De BOER, PRESIDENT

The 64th statement shows strong gains in new and outstanding insurance, in income, in assets and in surplus, an interest rate of 5.10 per cent., a mortality experience of 58.12 per cent., and increased dividends set aside for payment to policyholders in 1914. Age, strength, mutuality, low net costs, the best policies and a scientific and equitable practice have made the National Life most attractive to the best agents,—a solid business, securing permanent opportunity

Address, EDWARD D. FIELD, Superintendent
Montpelier, Vermont

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
CREDIT
BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

Established 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: CHICAGO, ILL. F. W. LAWSON, General Manager
F. J. WALTERS, Resident Manager.....55 John St., New York
ELMER A. LORD & CO., Resident Managers..145 Milk St., Boston
STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers, Middle Department.....434 Walnut St., Philadelphia

Digitized by Google

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA
INCORPORATED 1851

W. R. BROCK, President — W. B. MEIKLE, Vice President and General Manager

UNITED STATES STATEMENT, January 1st, 1914

Assets	$2,578,163.43
Surplus in United States	1,053,888.67

British America Assurance Co.,
INCORPORATED 1833 HEAD OFFICE, TORONTO, CANADA

FIRE INSURANCE

UNITED STATES BRANCH JANUARY 1, 1914

ASSETS	$1,889,180.90
LIABILITIES	1,161,272.78
NET SURPLUS	$727,908.12

W. R. BROCK, Pres. **W. B. MEIKLE, Vice-Pres. & Gen. M'g'r.**

Youngest of the Large Companies

in the life insurance field, The Prudential ranks second among all companies of the world in amount of

Insurance in Force
Over 2 Billion
406 Million Dollars

Agents Wanted

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, Newark, N. J.
Incorporated as a Stock Company by the State of New Jersey.

RUSSIAN TRANSPORT AND INSURANCE COMPANY
OF 1844
ST. PETERSBURG, RUSSIA

Capital Paid : : :	$2,502,500.00
Assets : : : :	$8,872,692.44

DOUGLAS BROS.
NEW YORK: 123 WILLIAM ST.
CHICAGO: 175 W. JACKSON BOULEVARD

Holding Power of Attorney to accept service and adjust and pay all losses

POLICY-HOLDERS PROTECTED BY SPECIAL DEPOSITS IN UNITED STATES

The Fidelity and Casualty Company
of New York

92 LIBERTY STREET, NEW YORK, N. Y.

ANNUAL STATEMENT, DECEMBER 31, 1913.

Assets	$11,063,356.70
Liabilities	8,055,163.65
Capital	1,000,000.00
Surplus over all liabilities	2,008,193.05
Losses paid to December 31, 1913	44,841,703.50

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny and Theft Insurance; Plate Glass Insurance; Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam-boiler Insurance; Fly-wheel Insurance.

Digitized by Google

Digitized by Google

Digitized by Google

HDI
HB 1DE7 1

Digitized by Google